

The **NATIONAL** **UNDERWRITER** *Life Insurance Edition*

Building from Our Own Ranks

THE practice of finding new field management men within our own organization, giving them proper training and sending them out in turn to bring new and promising men from other fields into life insurance sales work does not necessarily result in the most spectacular kind of development. But we think it contributes to a kind of solid growth that benefits our agents, our policyowners, the company and the industry as a whole.

For example, some time ago Northwestern National Life announced that it would expand its operations in Texas and the Southwest. In 1952 our ordinary volume was the largest ever in the State of Texas—perhaps not an impressive overall total as life insurance figures go, but consisting of unusually high average production per man. The same is true in other areas in which NWNL is expanding.

This means that satisfying sales careers are being built—many of them from the ground up—and that the fieldmen involved are imbued with a loyalty to their company and with a sense of responsibility. It means also a furtherance of our policy of being good neighbors in the life insurance business.

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FRIDAY, APRIL 17, 1953

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Hartford, Connecticut

Treasury's 30-Year Bonds Significant for Life Insurance

3½% Issue Seen Boosting All Interest Rates, Helping Counter Inflation Forces

The Treasury's new billion-dollar issue of 3½% fully marketable 30-year bonds is regarded as being of prime importance to the life insurance business. While it is probable that the business will buy roughly one-third of the issue, the purchase of the bonds means little compared with the significance of the offering as indicating an official Treasury policy of higher interest rates on long term borrowing and a declared intention of getting money from the people's savings "as they accumulate" rather than from sales to commercial banks, with the accompanying inflationary effect on the money supply.

Higher interest rates on government bonds mean higher interest rates on other securities, too, all of which helps the life companies in their interest earnings. More than that, a general rise in interest rates has a deflationary effect on the economy, acting as a brake on loans to many types of enterprises. While there has been a recent lessening of inflationary pressure, the general opinion is that there is still too much inflation in the economy.

The billion-dollar issue is not important in size, as such issues go, but it is understood to be the first of a series, though how much further borrowing of this type is done will depend on the inflation-deflation balance. By switching emphasis between long-term lending to life companies, savings banks and pension funds and short-term loans to commercial banks, the Treasury has a mode of control to keep both inflationary and deflationary swings from going too far.

Treasury officials have been conferring with representatives of life companies, savings banks, and pension funds in recent months about the proposed issue. It is understood there has been a favorable reaction from all three classes of investors. It will take a degree of business statesmanship for such investors to buy any substantial amounts of governments at this time, but they seem to be taking the long-range view that it is better to reduce current inflationary pressures by buying long-term governments and to that extent withdraw as suppliers of funds to some of the less essential civilian needs.

There are some who would argue that it would be better for investors to wait another year or so until the institutional investors have more money in their tills, but against that there is the argument that a year from now a heavy investment in long-term governments might be dangerously deflationary.

The new issue will be dated May 1, 1953, will mature June 15, 1983, and will be callable on or after June 15, 1978.

Mass. Commissioner Is E. S. Cogswell

Resolving the question as to who would be the new Massachusetts commissioner that has engrossed Bay State insurance gossip ever since the surprise election of Christian Herter as governor last November, is the appointment of Edmund S. Cogswell. He takes the place of Dennis E. Sullivan. However, this may serve only to be a way of deferring a more permanent answer because Mr. Cogswell who has been first deputy commissioner reaches the usual retirement age this summer.

Mr. Cogswell was born at Salem, Mass., in 1883 and graduated from Harvard in 1906. He was in the actuarial department of New England Mutual Life and from then until 1913 was the first secretary of the teachers retirement board. He went with the insurance department in 1916 as examiner and in 1920 became general manager of National Assn. of Mutual Casualty Companies. In 1923 he became secretary and actuary of the Massachusetts state commission on pensions and from 1925 to '29 practiced as a consulting actuary. He returned to the insurance department in 1929 as second deputy and has been first deputy since 1932. He has on several occasions served as acting commissioner. He is a fellow of Casualty Actuarial Society and is a past president of the Boston chapter of American Statistical Assn.

Wanless to Leave Ill. Department

Thor Wanless is expected to resign shortly as assistant insurance director of Illinois, according to a story in the Chicago Tribune. That paper attributes his leaving to a "break" between him and Insurance Director Robert E. Barrett. Mr. Wanless was a supporter of Governor Stratton and he made an open bid for appointment as insurance director. He was in the insurance department under Governor Green and in the interim

(CONTINUED ON PAGE 31)

Dewey Approves 213 Changes, Accounting Procedures Measure

Governor Dewey has signed the controversial Condon bill amending section 213, New York's expense limitation statute for life companies, and also the bill empowering the Superintendent to prescribe methods for allocation of life company income and expense items.

The bill amending section 213, which had the backing of the state insurance department, was accepted as interim legislation by life insurance interests and already there is strong sentiment for a sweeping revision of section 213 during the next legislature.

The statement in Gov. Dewey's memorandum on the bill that empowers the insurance superintendent to prescribe reasonable regulations for the maintenance of "uniform accounting procedures" by life insurance companies is in strange contrast to the language of the new law—which nowhere refers to "uniform" or "uniformity"—and to the understanding between the companies and the department.

The companies agreed not to oppose the bill in view of its being so drafted as to permit companies to follow whatever accounting procedures they considered best, subject to departmental approval. The department has also insisted that "uniform accounting" was not its aim in proposing the legislation, since that would imply uniformity of accounting methods, but that what it sought was uniform allocation of income and expenses. However, when the companies strenuously objected to the uniform allocation idea, on the ground that it would straitjacket their accounting methods, the department agreed to a bill that would permit companies to follow their own methods within what it appeared would be reasonably broad limits.

The 213 measure increases the per-

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Woodson Resigning Comes as Surprise at NALU Midyear

Announcement of New Connection Will Be Made in a Few Weeks

By ROBERT B. MITCHELL

Resignation of B. N. Woodson as managing director of National Assn. of Life Underwriters hit the N.A.L.U. midyear meeting at Chicago with the added impact of almost complete surprise and cast pretty much of a shadow over the rest of the goings-on.

Conversations switched from "Where are we going to locate the new headquarters building?" to "Where are we going to locate a new managing director?"

There was a very real sense of loss at the news of "Woody" Woodson's plans for leaving the association staff, for in the less than two years he has been on the job the conviction has become widespread and firmly rooted that never were a man and a job so well suited to each other.

Beyond saying that there would be an announcement of his new connection in a few weeks, Mr. Woodson didn't indicate what he will be doing when he leaves N.A.L.U., some time following the annual convention in Cleveland in August.

The most persistent report was that he would head a life company in Texas but he refused to comment on any of the rumors. One report is that this is American General Life of Houston.

Mr. Woodson offered his resignation Monday to the board of trustees, which accepted it with regret. He announced it at the national council meeting on Tuesday, saying that "I hope you will realize that only the most extraordinary circumstances could have led me to such a decision, and that it is one which I reached only with great difficulty and after much thought and hesitation."

"When I joined N.A.L.U.," he said, "it was with the confident thought of being with you just as long as I could serve your best interests. I felt that I was moving into a lifetime career, and into a spot where I could assist in promoting the interests of the policyowners and field men of America and in which I could find every happiness and opportunity for expression."

"Nothing within N.A.L.U. has changed that viewpoint in any way. My experiences here have been challenging, stimulating and satisfying. My relationships with our officers and trustees—and equally with the personnel at headquarters—have been of the happiest. I have had a glorious time working at this job and I'm sorry to leave it."

"I am led to do so simply because there has recently come to me, unsolicited of course, a business opportunity which seems irresistibly attractive and I have concluded—with a very deep feeling of regret at severing this

(CONTINUED ON PAGE 36)

Late News Bulletins . . .

J. C. Archibald Heads H.O.L.U. Officer Slate

The slate of officers presented for election at the annual meeting of Home Office Life Underwriters Assn. this week at White Sulphur Springs consists of John C. Archibald, Bankers Life of Iowa, president; Thomas K. Dodd, Connecticut Mutual Life, and Harry F. Gundy, Sun Life, vice-presidents; Arthur Faulkner, Massachusetts Mutual, secretary; George A. Pillman, Mutual Benefit Life, treasurer, and Henry W. Cook, Jr., Columbian National, editor.

Elect Brummett Community Life, Tex., President

William V. Brummett, former director of agencies and later vice-president, has been elected president of Community Life of San Antonio. Mr. Brummett was with Metropolitan Life in the middle west for 18 years and has spent 22 years in the life business.

Cantelon Now National, Vt., Agency Director

Gordon Cantelon has resigned as manager for Great-West Life at St. Louis to become director of agencies for National Life of Vermont. Before going to St. Louis he was in Great-West's home office and the company's Schwemm agency at Chicago. His father was for many years manager for Sun Life of Canada at St. Louis.

(Additional Late News on Page 36)

Meeting the Problems of Decentralization

Advantages of Prudential's Regional Home Office Setup are Numerous

Prudential, which at the end of 1952 had approximately \$10 billion in assets and \$39 billion of life insurance in force, has been decentralizing its operations for five years and has a substantial part of the job either completed or on the drafting board. In an era of decentralizing in business and industry its operation has been a sizable one, and what it has learned throws a revealing light on the problems encountered in the process.

One of the main objectives of Prudential's decentralization program is to provide better service to policyholders. Orville E. Beal, vice president of the company, commented recently in an address at a business luncheon conference sponsored by Rutgers university in Newark. This can be readily accomplished in a physical sense because it is obviously easier for Prudential to respond to the needs of its policyholders in San Francisco from a home office at nearby Los Angeles, than from the home office at Newark, 3,000 miles away. And in another, quite different sense, service can be improved through closer contact and better understanding of the local situation.

Prudential wanted to get in closer contact with its customers. It wanted to do a better selling job, which meant giving the better service that can be given when the servicer is neighbor to his customers. It wanted to increase efficiency by decreasing the number of operations and details handled in one place. And since Prudential invests large sums of money, it wanted to do a better job of making those investments produce a real service for some of the fastest growing areas of the country.

When the question of decentralizing came up for consideration, Prudential was providing protection to about one out of every six persons in the United States. This gave employment to almost 40,000 workers. The company had become the second largest insurance organization in the world. It did not feel that it was falling down on the job, it just wanted to improve, if it could.

In December, 1946, the 10,000 home office people in Newark were serving 28,000 field employees and 23 million policyholders with \$26 billion of insurance protection in force. Agents and policyholders were, and still are, scattered all over the United States, Canada, and Hawaii.

Letters and printed forms traveled distances up to 10,000 miles round-trip. No wonder that to many agents and policyholders the Newark home office seemed far away and unreal. Lines of communication were too long. Management leadership was becoming so diluted it wasn't as effective when it reached the end of the line. That is an unfavorable aspect of having management concentrated in one spot and the staff scattered over thousands of miles. Even within the Newark home office, the many layers of management necessary with a large staff made true management leadership difficult to exercise and to communicate down through all the levels.

Similarly, it is difficult for those in the first few levels to get their ideas, suggestions, and problems up through the maze of levels above. This is an important human problem which Prudential already knows decentralization can go a long way toward solving.

It is hard to build within a large organization a human, personal relationship—to create a company or team spirit—when there are so many layers of insulation between the first clerical level and the chief executive level. There just can't be enough personal relationship between the top executive and a staff of 10,000 people.

Among all the problems that faced Prudential in December, 1946, one truly stood out: the matter of making decisions. In any small organization, decisions are relatively easy. In Prudential, as in most other companies, any decision of consequence finally has to go up to the head man. When the company gets large enough, so many decisions hit the top man's desk he no longer has enough hours in the day to make them all.

To keep things running, the head man then has to confine himself pretty much to policy decisions and delegate the operating decisions to other people. But operating decisions keep coming back and cluttering up the picture. They do that because no one operation is independent of all others where there is a single home office administrative structure.

If the business is divided into geographical regions, if the company appoints a leader for each region, if it saddles him with the responsibility of making most of the operating decisions, and if it gives him free rein within the framework of broad company policy, it can solve a lot of its problems and improve its whole operation.

This enables the top man and his corporate executive staff to concentrate on the best way to run the company. They can spend more time determining basic sales expansion policies, for example, and less time trying to decide whether to open a new office in Augusta, Ga., or Bakersfield, Cal.

Thus, regional decentralization offered Prudential the solution most likely to succeed. Further, it seemed completely practicable. Almost all Prudential activities could follow the pattern. Just a few would have to remain centralized for reasons of law or practicability. So reasoned the Prudential executives.

Then they considered how much authority should be delegated in order to give decentralization a fair trial. Very early in the program, President Carol M. Shanks established the principle that the regional office should be given maximum autonomy within the framework of broad company policy.

One obvious and immediate problem created by decentralization is that of coordination. An aspect of this problem is, of course, knowing where home office policy-making ends, and RHO policy-making begins. No formal line has been drawn by Prudential. It is worked out as each policy matter arises.

It is not an easy matter to maintain uniformity and keep everything within the broad framework of company pol-



Harry Syphum, Beneficial Life Salt Lake City, candidate for N. A. L. U. secretary. Oren Pritchard, Union Central, Indianapolis, chairman of the state laws and legislation committee, and Elmer Davy, Home Life of New York, Salt Lake City, at the N. A. L. U. mid-year rally in Chicago.

icy when dealing with a great mass of detail involved in the business and the hundreds and hundreds of operating decisions. In a sense, decentralization has shortened the lines of communication between policyholder and home office, but it has lengthened the lines of coordination.

Basically, coordination is worked out by each department. For example, the law department at Newark takes up a subject and decides how best to handle it. If it is the sort of problem that will arise also in RHOs, the law department builds a coordinated file, which is communicated to the law departments of the RHOs. If the matter is one of

top policy, the executives at the home office are consulted and the matter shaped with their views. If the RHO meets a problem not exclusively one for it, it builds a coordinated file and passes it along to the law department at the head office.

There may arise strictly coordination difficulties. One department may not be communicating with another, or may be doing so improperly. Here a second vice president is responsible for helping the departments work out a solution.

Under the vice-president in charge of each RHO are a number of key men:

(CONTINUED ON PAGE 35)

ABANDONS LEGISLATIVE ROUTE

NALU Plans Appeal to Companies, NAIC on Bank Loan, Mortgage-tie-in-Sales

Whether or not National Assn. of Life Underwriters should seek legislative remedies against bank-loan sales of life insurance and mortgage-tie-in sales was vigorously debated by the national council of N.A.L.U. at the mid-year meeting at Chicago.

The legislative route suggested by the field practices committee was finally rejected by the council in favor of seeking relief through appeal to the company organizations and National Assn. of Insurance Commissioners.

Presenting the committee report, Chairman Stanley C. Collins, Metropolitan Life, Buffalo, said the committee favored recommending that the state law and legislation committee take the necessary steps to formulate model statutes that would discourage bank-loan plans and mortgage tie-in sales.

He said the bank-loan plan sounds innocuous enough, but if any part of it should break down, the resulting "frustrated cupidity" would reflect adversely on the entire life insurance business. The committee's contention was that the mortgage tie-in sale has some of the elements of rebating in it.

Discussing what he termed "prose-lytizing advertising," Mr. Collins mentioned ads that imply that the agent will boost his earnings tremendously by joining the company running the ad; ads that urge the agent to sell the advertiser's "unusual" contract on a part-time basis while continuing his present connection; and ads that ask the agent to act as a bird-dog, the company supplying someone to do all the selling work.

G. S. Brown, Penn Mutual, Chicago, federal law and legislation chairman, said legislation is not the solution for bank-loan sales, as it would have to be at the federal level and the remedy might well go too far. It could be cured by state legislation, he said. He moved that the recommendation for a

model statute be deleted and that N.A.L.U. instead seek the help of the N.A.I.C. and urge that A.L.C. and L.I.A. take a stand against this kind of business. Only a handful of companies, he said, has been using this "tax dodge." He felt that the companies could settle the matter within the industry.

Judd C. Benson, Union Central, Cincinnati, expressed concern about a suggestion to A.L.C. and L.I.A. telling them what they should do as being out of order, though he would not object to informing the company organization how N.A.L.U. feels about the matter. Mr. Brown agreed that great care should be taken in framing the suggestion.

Mr. Collins thought there might now be a chance to get an estate tax exemption for life insurance carried to pay estate taxes. However, Mr. Brown expressed opposition to asking for special estate tax treatment for life insurance to pay estate taxes. It would have to apply to any type of asset earmarked for the purpose, he said, and added that there are "technical reasons" why it would not be wise to seek any change just now. However, his motion to amend the report so as to eliminate the suggestion was defeated.

Regarding Mr. Collins' proposal for a model statute against mortgage tie-in sales, Oren Pritchard, Union Central, Indianapolis, state law and legislation chairman, said he felt present anti-rebating statutes are broad enough to bar such sales. He and Harold Baird, National Life of Vermont, New York City, urged that the matter be called to the attention of the company associations and the National Assn. of Insurance Commissioners.

However, an Ohio member said efforts in Ohio to stop mortgage tie-in sales had proved futile. He mentioned efforts to enjoin Equitable Society's assured home ownership plan.

Harry Syph...
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LIFE INSURANCE COMPANY

Hartford,  Connecticut

N. Y. Life Optimistic on Long-Range Program for Recruiting Agents for Colleges

NEW YORK—Can agents be successfully recruited from college campuses? The answers range from a starry-eyed yes to a lugubrious no, but there is a great lack of objective data on which to base a definite conclusion. To find the answers and to recruit agents, New York Life has established a college relations program under the direction of Robert P. Stieglitz. It is his job to contact college placement officers, to interview college seniors, to recruit graduates and to tabulate and study the results of this long-range New York Life program.

The program is quite young, and, therefore, definitive data are limited. While New York Life managers have recruited agents from college campuses for some 40 years, this is the first time the company has studied college graduates as a segregated group. Mr. Stieglitz says it will be at least five years before enough data have been obtained from which to draw definite conclusions.

However, the first large-scale recruitment of college graduates brought to light the following facts: During the first 12-month period (Sept. 1, 1951, to Aug. 31, 1952), 78 agents were hired and 76% of these survived as of Nov. 30, 1952. The 12 leaders of the group had an average of 5.7 months of production, with a monthly paid production of \$20,073. Their average age was 25.3 years.

Mr. Stieglitz, in establishing New York Life's program, traveled some 20,000 miles, visiting more than 80 colleges and universities last year. On these trips he has, broadly speaking, two aims: To establish personal contact with college placement officers and to prepare the local New York Life manager to carry out the college recruiting program.

Careers as life insurance agents, for many reasons, do not appeal to too many

college seniors. One of the biggest tasks will be to overcome this attitude and establish a favorable opinion of life insurance sales among male students on college campuses. To achieve this, Mr. Stieglitz first establishes close relations with the college placement officer.

New York Life does not expect that college students will immediately find life insurance sales a wonderful career, particularly when they are being bombarded with choice offers of sales jobs in other businesses and industries. But proper liaison with the college officials, coupled with good relations between the college officials and the nearest New York Life manager, will go a long way towards improving student's attitude.

Mr. Stieglitz takes the New York Life manager of the nearest agency to the college with him to prepare him to handle the functions of public relations man and interviewer at the campus. New York Life assigns agencies to the various colleges within their territory. Thus it becomes the manager's responsibility to maintain contact with and to obtain recruits from the particular campus or campuses within his territory.

Incidentally, it is considered quite important for the manager to handle the recruiting. The manager is an experienced man, who is well versed in the field of life insurance, and who can best portray the future in the field to the prospective recruit. His maturity and success, his broad knowledge and wide acquaintanceship with the field, will impress the college senior more than that of the more verdant assistant manager or younger agency man.

When he and a manager go to a college campus, Mr. Stieglitz assists the manager with the various techniques required for that particular type of recruiting. However, since the manager

already is a skilled recruiter and interviewer, it is not a training period for him. He merely observes the variations in interviewing, testing and other recruiting techniques when these are applied at the college level.

New York Life has three programs for the college graduate. Roughly, the programs are: (1) He can enter the group department at a salary; (2) he can begin sales immediately, entering the training program established for all new agents; or (3) he can spend 12 months working in a branch office, working in the cashier's department and training under the manager in sales, after which he enters the field as an agent.

Twenty-six places are available in the group department for college graduates. The graduate works in the department at a salary which increases automatically at specified times for two years. At the end of the two-year period, he is evaluated by the company, and he also evaluates himself. Then he either enters into the regular sales force of the group department or becomes an agent.

College recruits who enter the regular agents training and sales program are more successful than those who spend a year inside before becoming agents. New York Life feels that this is to be expected because the man who enters the sales field probably has good contacts and a wide acquaintanceship plus confidence and a more intensive desire to make the grade. The recruit who studies agency operation usually feels he would like to have a more thorough knowledge of life insurance before selling it. The man who spends the year inside receives a straight salary for that period. When he enters sales, he receives the usual agent's contract.

The book "Career," which is circulated among college students, and which contains descriptions of opportunities for young college graduates with some 50 different companies in various business and industrial fields, was utilized

(CONTINUED ON PAGE 32)

Calls Security Act Greatest Threat to Life Business

E. M. Thore at Home Office Underwriters Meeting Tells Need to Scrutinize Trends

WHITE SULPHUR SPRINGS—"The federal security act is the greatest potential threat to the life of the life insurance business," Eugene M. Thore, general counsel of Life Insurance Assn. of America, told the Home Office Life Underwriters Assn. at its annual meeting here.

He was explaining why the life insurance business has a vital stake in the proposed social security changes and in a number of other important governmental matters, including taxation, death benefit coverage for servicemen, employer-employee pension systems, and proposals for tax incentives for retirement plans for the self-employed.

Under social security, Mr. Thore pointed out, the government's obligation to pay pensions is estimated to be nearly 10 times greater than all the annuity obligations of private life companies. The system has been falsely represented to the people as an insurance plan, under which each individual pays his own way. This is a myth. Taxes being collected are little more than one-third of the premiums and annuity considerations being collected by private insurers.

The reserve under the security act is now about \$17 billion, less than one-third of the legal reserves of the life companies. With only a third the income and a third the reserves of life companies, the future obligations of the government to pay benefits are far greater than those of the companies. In

(CONTINUED ON PAGE 33)

Career Agents with GA Qualifications* have increased opportunity in this territory with

GENERAL AGENCY OPENINGS IN
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Kentucky
Tennessee
Virginia

PROTECTIVE LIFE

William J. Rushton
President

Serving the South
Since 1907



Insurance Company

PROTECTIVE LIFE BUILDING
BIRMINGHAM, ALABAMA

Insurance in Force over \$475 Million

Write to
C. B. Barksdale,
Supt. of Agencies

* A General Agent must

- (1) Be a successful personal producer
- (2) Have executive capacity
- (3) Be able to transfer selling knowledge to new salesmen

PROTECTIVE LIFE offers

- A flexible top-commission General Agent's contract which allows you to utilize all of your managerial and production abilities.
- Continuous supervision and advanced field training to all new agents you bring into the business.
- Effective visual presentation material on a variety of policy contracts which spurs new agents into immediate production.
- A prestige-building advertising and promotion program tailored to fit any situation.

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N.A.L.U. CHICAGO FEATURE

200 Agency Managers Turn Out for GAMC Rally Spiced by Room Hopping Sessions

More than 200 agency heads were on hand for the fine program that the General Agents & Managers Conference of N.A.L.U. put on Monday and Tuesday in connection with the midyear meeting of N.A.L.U.

The "room-hopping" session Monday evening, with nine concurrent small-group gatherings discussing important managerial topics with great informality, proved extremely popular, with some rooms continuing under a full head of steam for as long as three hours. These meetings are reported elsewhere in this issue.

Frank Devitt, Capitol Life, Denver, was selected to succeed George Neitlich, Metropolitan Life, Everett, Mass., on the board of directors, Mr. Neitlich having been forced to resign from the board because of ill health.

John D. Marsh, Lincoln National, Washington, D. C., G.A.M.C. chairman,

reviewed the group's activities and expressed the hope that it would be possible for the conference to have the full-time services of Lawrence Jackson, administrative assistant, instead of sharing his time with N.A.L.U. as at present, and to employ a full-time clerical assistant for him.

He discussed the possibility that Canadian managers might become members, subject to N.A.L.U. acceptance of membership in the Life Underwriters Assn. of Canada as a requirement, as is membership in N.A.L.U. for U. S. managers.

Judd C. Benson, Union Central, Cincinnati, reported as secretary of G.A.M.C. He said the conference has a balance of \$8,986, dues were raised from \$3 to \$5, and it still looks likely that G.A.M.C. will wind up with at least the anticipated 3,800 members, despite the dues rise. There are now

about 3,000 paid members. He also praised the work of Mr. Jackson.

Mr. Jackson reported briefly on the functions of his office.

Ray Wertz, Lincoln National, Detroit, vice-chairman of G.A.M.C., reporting as chairman of the extension committee, discussed plans for getting local managers associations linked up with N.A.L.U. and G.A.M.C., which not all of them are at present.

There are 20 local managers associations that require membership in G.A.M.C. and 15 more are considering it. Thirty-three have complied with the request to appoint a G.A.M.C. representative.

About 80% of associations now require membership in N.A.L.U., but Mr. Wertz said this is not merely the result of G.A.M.C. efforts, rather more a trend that has been going on for some years.

W. Thomas Craig, Aetna, Los Angeles, immediate past chairman, reporting for the advisory committee, said its sentiment was that the G.A.M.C. is making fine progress.

M. L. Camps, John Hancock, New York City, G.A.M.C. vice-chairman and head of the program committee, outlined the program briefly.

Earl Schwemm, Great-West Life, Chicago, reported on promotion of study courses in agency management for local associations. Nine associations are now sponsoring such courses. Nine will do so in the fall, and a substantial number will do so in 1954.

Herbert R. Hill, Life of Virginia, Richmond, reporting for the district agencies committee, said the committee feels it should take an active part in planning the G.A.M.C. midyear meeting, as it had in this one; that the committee is about evenly divided on whether local associations should plan programs for the combination manager; and feels unanimously that it would be well for G.A.M.C. to sponsor regional meetings, especially for combination company managers. All agreed it would take a tremendous amount of work to achieve a constructive meeting.

Paul Conway, John Hancock, Syracuse, told of progress in spreading the "Hartford plan" for helping local community clients train solicitors. This is

a "terrific prestige builder for getting worthwhile recognition in our communities," he said.

William A. Arnold, II, John Hancock, New York City, discussed coordinating the thinking of managers associations on codes of ethics that would help raise the standards of practice.

W. Henry Blohm, Provident Mutual, Cincinnati, offered resolutions, which were adopted, endorsing the national quality award, and expressing regret that poor health had forced the resignation of Mr. Nietlich from the board of directors. A memorial resolution was adopted on the late Bert A. Hedger who was manager for Business Men's Assurance at Wichita.

Newell Day, Equitable of Iowa, Des Moines, Ia., chairman of the N.A.L.U. speakers bureau, described the tape-recording library being built up and suggested that the G.A.M.C. might do something similar, not only for association meetings but for agency gatherings. G.A.M.C. voted that a committee should be named to look into it.

The G.A.M.C. voted to record the talks given at conference meetings and distribute them to the members.

The manager's job is one of developing men, Herman R. Casdorff, Metropolitan manager at Lakewood, O., stated in describing his "Operation Pattern." He said that it is the manager's responsibility to see that each agent realizes his full potentiality.

The talks of Dr. Fred A. Replogle, Rohrer, Hibler & Replogle, Chicago psychological consulting firm, on "The Application of Practical Psychology to Field Management", and Fred H. White, general agent of Massachusetts Mutual Life at Buffalo, on "Building Agent Production", are reported elsewhere in this issue.

Speaker at the luncheon Monday was Dr. Allen A. Stockdale, National Assn. of Manufacturers, on "The Business Man Looks Ahead". The breakfast meeting Tuesday was addressed by Rt. Rev. Wallace E. Conkling, Episcopal bishop of the Chicago diocese.

Mentioning the several steps that constitute his training operation, Mr. Casdorff said that first the agent must have a clear understanding of the training program and be able to see how he fits into it. The design of the

(CONTINUED ON PAGE 22)

Disability Income MAKES "LIFE" Easier To Sell

Prospects listen . . . when you talk disability income. U. S. Life's non-cancellable DISABILITY INCOME RIDER with life insurance will:

- (1) Make bigger LIFE sales . . . easier.
- (2) Produce more commission dollars.
- (3) Bring you better referred leads.

The DISABILITY INCOME RIDER provides \$10 a month per \$1,000—up to \$250 a month income. It's for men 18-50 and non-cancellable! Call your U. S. Life agency or write home office for complete information.

THE United States Life
INSURANCE COMPANY
IN THE CITY OF NEW YORK

OUR
104TH
YEAR

ASSOCIATES

Continental Casualty Company, Commercial Union Assurance Company

International Insurance Company

Among the early arrivals for the N.A.L.U. midyear meeting at Chicago were, top, from left, Vernon E. White, Northwestern Mutual Life, Albuquerque; Eugene M. Thore, general counsel of Life Insurance Assn., and John Barker, Jr., vice-president and general counsel of New England Mutual Life. Bottom, from left, Stanley C. Collins, Metropolitan, Buffalo, a candidate for secretary of N.A.L.U.; John Moynahan, manager of Metropolitan at Berwyn, Ill., a past president, and Lawrence M. Stanley, Monarch Life of Massachusetts, New Britain, Conn.



Metropolitan's 85th Annual Report to Policyholders

More Benefits for More People

More benefits for more people than ever before! This keynotes the service of the Metropolitan Life Insurance Company. In 1952, payments to policyholders and beneficiaries reached a new high—\$945,000,000.

The daily transactions of Metropolitan are intimately interwoven with the hopes and aspirations of men and women throughout the United States and Canada. Behind the annual accounting lies the story of families helped toward security, of widows cared for, and children educated.

These human objectives far transcend the procession of cold figures across the pages of account books. Yet the figures reflect the planning by policyholders to help assure the fulfillment of their ambitions.

At the end of 1952, policyholders were protected by \$51,900,000,000 of Metropolitan Life insurance—a new high record. Old and new policyholders increased their insurance protection by buying \$3,600,000,000 of new Life insurance.

New long-term investments in 1952 totaled \$1,600,000,000. The major part of these funds went to help meet the needs of commerce and industry. In many instances, Metropolitan financed the expenditures necessary to bring to

the public the benefits of technological progress in such fields as chemistry and electronics.

Some \$369,000,000 was invested in city and farm mortgage loans in 1952. Part of these funds helped finance 30,000 new homes, and they brought the total outstanding home loans of the Company to 197,000 at the year's close.

The net rate of interest earned on Metropolitan's total investments after deducting investment expenses was 3.21% in comparison with 3.07% in 1951. However, the Federal income tax reduced the net investment return for 1952 to 3.00%. On new long-term investments made last year, the net interest rate, after all investment expenses but before the Federal income tax, was 3.73%—the highest since 1934.

Other high lights in Annual Report:

1. The number of policyholders increased to 33,700,000—a new record.
2. Accident and Health protection continued to grow in public favor, and this was particularly true of the new forms of protection provided by hospital, surgical, and medical expense policies. At the end of the year about 6,200,000 persons were protected by Accident and Health coverage under Metropolitan Group and individual policies.

3. The mortality rate among Metropolitan's policyholders continued to be favorable. Death rates from many causes—particularly tuberculosis and most of the common childhood diseases—reached all-time lows.

4. In common with the experience of business generally, Metropolitan's expenses increased somewhat last year. A continuing effort is made to keep them at a low level consistent with proper service to policyholders.

5. Dividends to policyholders in 1952 amounted to \$192,000,000—the largest sum in the Company's history.

Metropolitan's Report to Policyholders for 1952 would not be complete without appreciative reference to the loyal and capable Metropolitan men and women who made possible the efficient and progressive service which our policyholders quite properly expect.

Additional details of the Metropolitan's service last year are given in the Company's Annual Report, copies of which may be obtained on request.



CHARLES G. TAYLOR, JR.
President

METROPOLITAN ASSETS AND OBLIGATIONS—DECEMBER 31, 1952

(In accordance with the Annual Statement filed with the Insurance Department of the State of New York.)

ASSETS WHICH ASSURE FULFILLMENT OF OBLIGATIONS			
Bonds			\$7,996,545,124.86
U. S. Government	\$1,844,608,305.55		
Canadian Government	143,537,746.75		
Provincial and Municipal	66,051,354.87		
Railroad	660,243,225.66		
Public Utility	1,514,241,381.02		
Industrial and Miscellaneous	3,767,863,111.01		
Stocks			177,509,022.72
All but \$18,064,177.72 are preferred or guaranteed.			
Mortgage Loans on Real Estate			2,076,077,747.18
On urban properties	\$1,914,495,597.64		
On farms	161,582,149.54		
Real Estate (after decrease by adjustment of \$1,900,000 in the aggregate)			439,058,209.64
Housing projects and other real estate acquired for investment	\$ 391,638,408.63		
Properties for Company use	46,718,864.57		
Acquired in satisfaction of mortgage indebtedness (of which \$2,059,121.24 is under contract of sale)	2,600,936.44		
Loans on Policies			465,211,481.47
Made to policyholders on the security of their policies.			
Cash and Bank Deposits			175,519,891.02
Premiums, Deferred and in Course of Collection			161,709,504.12
Accrued Interest, Rents, etc.			100,898,064.65
TOTAL ASSETS TO MEET OBLIGATIONS			\$11,592,529,045.66
OBLIGATIONS TO POLICYHOLDERS, BENEFICIARIES, AND OTHERS			
Statutory Policy Reserves			\$9,856,893,709.00
This amount, required by law, together with future premiums and interest, is necessary to assure payment of future policy benefits.			
Policy Proceeds and Dividends Left with Company at Interest			653,976,566.00
Funds left with the Company by beneficiaries and policyholders to be paid to them later.			
Reserved for Dividends to Policyholders			181,782,277.00
Set aside for payment in 1953 to those policyholders eligible to receive them.			
Policy Claims Currently Outstanding			55,011,011.17
Claims in process of settlement, and estimated claims that have occurred but have not yet been reported.			
Other Policy Obligations			76,947,311.14
Including premiums received in advance and special reserves for mortality and morbidity fluctuations.			
Taxes Accrued (payable in 1953)			47,012,225.46
Security Valuation Reserve			23,176,699.00
Prescribed by the National Association of Insurance Commissioners.			
Contingency Reserve for Mortgage Loans			7,150,000.00
All Other Obligations			25,851,692.57
TOTAL OBLIGATIONS			\$10,927,801,491.34
SURPLUS FUNDS			
Special Surplus Funds			\$106,783,000.00
Unassigned Surplus			557,944,554.32
TOTAL SURPLUS FUNDS			664,727,554.32
TOTAL OBLIGATIONS AND SURPLUS FUNDS			\$11,592,529,045.66

NOTE—Assets amounting to \$552,449,409.65 are deposited with various public officials under the requirements of law or regulatory authority.

Metropolitan Life Insurance Company
(A MUTUAL COMPANY)



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PACIFIC COAST HEAD OFFICE: 600 STOCKTON STREET, SAN FRANCISCO 20, CAL.

CANADIAN HEAD OFFICE: 180 WELLINGTON STREET, OTTAWA, ONTARIO, CANADA

METROPOLITAN LIFE INSURANCE CO.
1 Madison Avenue, New York 10, N. Y.

Gentlemen:
Please send me a copy of your Annual Report to Policyholders for 1952.

NAME _____
STREET _____
CITY _____ STATE _____



WILLIAM S. ZIEGLER
Joliet, Illinois

Another SUCCESS STORY!

Over a period of five years W. S. "Bill" Ziegler of Joliet, Illinois, associated with the O. R. Aspengren Agency, Chicago, has proved himself one of our top-notch field underwriters. Besides qualifying for Million Dollar Round table honors in each of the past two years, Bill has maintained one of the highest persistency records in the entire Ohio National field organization.

MORTGAGE INSURANCE

A combination of permanent protection reinforced with extra low-cost mortgage coverage, this popular Ohio National policy safeguards the best interests of the home owner, his family, and the mortgagor.

The
OHIO NATIONAL
LIFE INSURANCE COMPANY
Cincinnati, Ohio

Let's talk

LIFE INSURANCE TRUSTS

This new publication is from the gifted pen of John M. Zuber, LL.B., Vice President and Trust Officer of the American National Bank, Indianapolis. His treatment of life insurance trusts is designed to help career life underwriters know WHEN AND HOW to use life insurance trusts in estate planning.

The career life underwriter who has this basic material at his finger-tips need never be ill at ease in the joint estate planning interview with the attorney, trust officer and client. Further, it will help open many profitable interviews with men and women of means.

Single copy 90¢; 2-9 copies, 86¢ each.



THE INSURANCE RESEARCH & REVIEW SERVICE

Hilbert Rust, C.L.U., President

INDIANAPOLIS

Life Advertisers Told Up-to-date Manual Would Aid Recruiting

Ralph H. Rice, Jr., manager, Prudential, Philadelphia, and Lewis C. Sprague, general agent, Provident Mutual, New York City, who discussed the life advertiser's place in recruiting at Life Insurance Advertisers Assn. eastern round table, agreed that company advertising personnel could assist in recruiting agents by preparing a concise, complete and up-to-date loose leaf recruiting manual.

Mr. Rice and Mr. Sprague also agreed that the present manuals available to them for distribution to prospective agents are out-of-date and therefore of little value. Mr. Rice said that his agency has prepared its own manual but admits that it does not compare in format and content with his company's manual. However, his agency manual does contain recent facts and figures, which are important to the prospective agent.

The panel members said that a manual's contents should be determined by the requirements of the company's general agents or managers. It should contain information about the life insurance business and the company, a realistic description of the insurance business, agency data, information about agency members, a description of the training, supervision, and financing available to the new agent.

Booklets that are miniatures of the recruiting manual should be available for distribution to the prospective agent so that he could show the material to his wife and discuss the opportunities with her.

Mr. Rice and Mr. Sprague said that anything which is done to build the prestige of the agency and the individual agents will ease recruiting difficulties. An effective public relations job on the local level will assist the general agent and manager.

John Tierney, Travelers, told another round table that publicity should humanize, localize and personalize the company and its personnel. To accomplish this, he urged personal contacts between the company and trade and general press. He asked those attending if they knew the newspaper men in their locale by first names.

Robert J. Sullivan, account executive of Edward Gottlieb & Associates, New York City, reviewed the media available to the publicists, emphasizing, also, the importance of the personal contact with the local newspaper representatives.

Harold Cabot, president of Harold Cabot & Co., Boston advertising agency, discussed the advertising agency as a supplement to the company's advertising department. He said that his agency functions as an employee of many of its accounts rather than as a commissioned agency operating independently of the company's advertising department.

This concept means that the advertising agency and the advertising department work as a team. The agency is paid a predetermined fee for its services and it assists the department with its problems and programs. Each advertising idea or program is hammered out on the anvil of discussion, Mr. Cabot stressed. The agency is hired to handle certain aspects of the company's advertising program.

(CONTINUED ON PAGE 24)

ACTUARIES

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**COATES, HERFURTH &
ENGLAND**

CONSULTING ACTUARIES

San Francisco Denver Los Angeles

ILLINOIS

CARL A. TIFFANY & CO.

CONSULTING ACTUARIES

211 West Wacker Drive

CHICAGO 6

Telephone FRanklin 2-2633

Harry S. Tressel & Associates

Certified Public Accountants

and Actuaries

10 S. La Salle St., Chicago 3, Illinois

Telephone FRanklin 2-6629

Harry S. Tressel, M.A.I.A. Wm. H. Gillette, C.F.A.
H. Wolfman, F.S.A. N. A. Moscovitch, A.S.A. W. P. Kulu
Robert Murray

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Consulting Actuaries

76 West Adams, Detroit 26, Michigan

Phone WOodward 1-9518

NEW YORK

Consulting Actuaries

Auditors and Accountants

Wolfe, Corcoran & Linder

110 John Street, New York, N. Y.

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FRANK M. SPEAKMAN

CONSULTING ACTUARY

ASSOCIATE

E. P. Higgins

THE BOURSE

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**BOWLES, ANDREWS &
TOWNE**

Consulting Actuaries

Employee Benefit Plans

RICHMOND

ATLANTA

COMPETENT TECHNICIANS URGENTLY NEEDED

If you have any of the pioneer spirit in you, if you want rapid personal progress and want to make some real contributions in a virgin actuarial field, please hear us out:

Experience in accident, health, hospitalization is new. But it is piling up at an enormous rate. It needs digesting, interpreting. It needs to be put into tables and figures and calculations so that the industry can serve millions of policyholders better.

We are the fastest growing and perhaps deserve the reputation for being the most aggressive and most progressive organization in the business. The time has come when we no longer have to search out more sales talent. We do not have to struggle for more business volume. These come easily, almost automatically, to us.

We might put it this way: we already know how to get "bigger"; we need technical studies to show us how to get "better." There are, we know, some brilliant and progressive actuarial minds caught in the web of worthy but static companies. We want a baker's dozen such. We invite applications in confidence.

BANKERS LIFE AND CASUALTY COMPANY

John D. MacArthur, President
Chicago 30, Ill.

"THE COMPANY OF OPPORTUNITY"

767,984 claims handled in 1952
658,294 policies issued in 1952
\$72,983,001 premium income in 1952

ES
B
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RIES
Los Angeles
CO.
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Associates
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DELPHIA
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S &
FLANTA

G.A.M.C. ROOM HOPPING SUBJECT

Merritt Offers Vocational Guidance as a Way to Better Agent Recruiting

Agent selection was moved farther from the hit or miss realm for the G.A.M.C. room hoppers attending the session conducted by F. L. Merritt, agency vice-president of Central Life of Iowa, in connection with the National Assn. of Life Underwriters mid-year meeting at Chicago.

Vocational guidance was the novel recruiting ingredient suggested by Mr. Merritt. Contending that success in any field depends on an appropriate combination of ability, interest and opportunity, Mr. Merritt stated that

wherever there is not a perfect meshing of these factors, or whenever the job does not develop the individual, he is not realizing his full potential—something he might do in another field, or as a life agent.

Often a person does not realize he is unsatisfied with his job, or that his work is of a type that stagnates rather than develops his ability. When the development of a man's ability slows down because his work becomes routine, his interest also will decline and opportunity almost ceases to exist.

WANT ADS

Rates—\$15 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

EXCEPTIONAL OPPORTUNITY IN THE LIFE INSURANCE FIELD

A mid-western life insurance organization is looking for a State Manager in Illinois. Exceptional opportunity for an experienced young or middle-aged man qualified to select, train, and supervise agents.

Established men earn \$10,000 and up. Salary, commissions, traveling expenses, automobile, retirement and hospitalization benefits.

Address S-16, THE NATIONAL UNDERWRITER, 175 W. Jackson Blvd., Chicago 4, Ill.

(All correspondence confidential)

An Invitation TO MILITARY LIFE AGENTS and BROKERS

to represent

An old line legal reserve 50 year old life insurance company licensed in over 30 states.

Insurance written for any military rank—No War Clauses—World-wide Coverage.

Write in detail, past experience selling Military Personnel including complete personal history, references and photo.

Address R-85, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Ohio - Indiana

An opportunity exists for an aggressive man who is qualified to do agency supervisory work in the states of Ohio and Indiana for a medium size mutual legal reserve life company located in the mid-west. If you have a record of success in recruiting training and selling and would like an opportunity for advancement, write indicating age, marital status, business and educational background and salary desired. All replies confidential. Address P-98, The National Underwriter, 175 W. Jackson Blvd., Chicago 4 Illinois

ASSISTANT SUPERINTENDENT OF AGENCIES

One of the top 20 legal reserve life companies needs an assistant superintendent of agencies in Southern U. S., age 30 to 40, with a record of success in recruiting, training, and selling. Must be willing to travel extensively and have sufficient supervisory background to capably supervise older established agencies as well as newly formed agencies. Salary rated among most liberal in the industry. Mail complete experience history and qualifications to S-5, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill. All replies held confidential.

WANTED

Actuarial Assistant. Male, age 27-37. Practical actuarial groundwork and working knowledge of Life Insurance home office operation. Excellent opportunity for real progress. Located in very pleasant suburban and country area, with excellent transportation facilities. You'll like it. Write education and experience, marital status and salary desired: Bankers National Life Insurance Company, Montclair, New Jersey.

MORE MONEY LIFE INSURANCE AGENTS

Unique high comm. paid for your A and H business. Make money now. This is a special arrangement for life men only and includes billing and collection service. Full information Accident and Health Dept., Continental Casualty Co., 465 California St., San Francisco, Calif.

According to Mr. Merritt, there are only three types of jobs: professional, clerical or executive, and sales. The first is not available to the vast majority of persons, principally because of a lack of interest, training or temperament. Those possessing the temperament and interest many times are not in a position to undergo the training, due mainly to financial reasons or advanced age with its accompanying responsibilities.

The small number of positions available at executive levels diminishes the attractiveness of that classification as to opportunity, Mr. Merritt noted. There is great competition from technically trained men, putting the liberal arts or high school trained person, generally good agent prospects, at a disadvantage.

Sales, then, was described by Mr. Merritt as offering the greatest promise to the person who has the proper personality traits and work interests. It can be the most direct route from the blind alley in which a man languishes.

The selector is faced with the task of crystallizing a prospect's unhappiness, as he is prone to be hopeful about his present situation. Besides, most all are inclined to evaluate the future only according to their abilities, rather than looking also at the opportunity. The tendency is to feel that ability alone will enable a person to reach his objective, and only when a person realizes it takes ability plus the right kind of vehicle will he be able properly to evaluate his current status. Also to be considered is the fact that few persons know how to go about changing jobs.

Because so many non-selling type jobs become routine, Mr. Merritt observed that job changing often is the only way to develop abilities. By showing the agent prospect experience is nothing but training, and where it is repetitious adds little, it becomes apparent opportunity would be greater if the person were to put himself in a position to absorb new experience.

As contrasted with other job classifications where expansion of abilities diminishes, sales, with its variety of challenges, is a field of continuing peaks.

After determining a person hasn't properly combined his abilities and interest with the right opportunity, Mr. Merritt advocates employing the various testing devices to be sure that person is suited for life insurance selling. Instead of giving the appearance of pressuring a prospect into life insurance, use of the various tests can serve to build prestige for the business as clearly the intention is to find if insurance selling is the opportunity best suited to the man's ability.

By using the vocational guidance approach, Mr. Merritt opined, the recruiter is able to reach a higher caliber person. It is a natural approach to higher grade, ambitious individuals. The recruiter is not selling something, but helping the person to solve a personal problem. Not always will an agent's career be the solution, but still the recruiter can render a service by showing the person he won't reach his goals if he remains in his present road-way.

If the person is suited to life insurance, by comparing his present situation with a future as an agent the recruiter should have little trouble convincing him he should make the change, Mr. Merritt stated. Principally, he should be shown the unlimited income potential and how the business develops the individual's personality and leadership qualities. Stress also

(CONTINUED ON PAGE 34)

Supreme Court Grants Certiorari on Cravey Anti-Trust Severance

In Bankers Life & Casualty's \$30 million anti-trust case against Zach Cravey of Georgia and others, the Supreme Court has granted certiorari to review an order transferring the case as to Cravey to the district court in Atlanta. Bankers L. & C. had sued Cravey, J. Edwin Larson (Florida commissioner), Reserve Life, Georgia Washington and Professional Ins. Co. in the U. S. district court at Miami for treble damages resulting from an alleged conspiracy in violation of the anti-trust laws. The court transferred the case as to Cravey to the federal court in Atlanta. It is this order which the Supreme Court has agreed to review.

The court has limited the grant to consideration of question No. 1 presented in petition or certiorari. That question follows:

"Is mandamus an appropriate remedy to vacate the order of severance and transfer as an unwarranted renunciation of jurisdiction which would compel needless duplicity of trials and appeals to enforce the right to a single trial against all defendants in a proper forum?"

The court assigned the case to the summary docket, thus limiting arguments to one half hour on each side, compared to the customary one hour.

Goebel Kentucky Commissioner

Syl H. Goebel, Owensboro, has been sworn in as Kentucky commissioner, succeeding Spalding Southall, who resigned to go with National Assn. of Independent Insurers, Chicago.

Swedish Companies Gain

New policies signed with Swedish life insurance companies totaled 1,740 million kronor, or \$350 million, in 1952, a 20% gain over 1951. The companies' stocks of insurance policies, including capital payable in the case of death, are estimated at more than 13,500 million kronor, as compared with 12,500 million a year earlier. Funds administered by the companies increased from 6,600 million kronor to 7,400 million, somewhat more than one half of which was invested in bond loans.

Reno Again Hospitalized

Robert R. Reno, Jr., Equitable Society, Chicago, vice-chairman of the state law and legislation committee of N.A.L.U., has again been hospitalized because of a heart ailment. He was at the N.A.L.U. midyear meeting at the Drake hotel, Chicago, but was forced to go to Oak Park hospital Monday night.

At first Mr. Reno was thought to have suffered another coronary attack, but that proved not to be so and he is progressing satisfactorily.

The N.A.L.U. national council adopted a resolution wishing him a speedy recovery.

Set President's Month Record

The final totting up of production for Pan-American's annual President's Month Campaign honoring Crawford H. Ellis shows that it was the most successful ever with March submitted business amounting to \$20,115,176.

• State Farm Life of Illinois has been licensed in Ohio.

Grants Cravey Insurance

Casualty's \$300,000 against Zachary and others, the court certified transferring the district court's decision to the federal court. C. had sued (Florida) com- ife, George onal Ins. Co. at Miami from an relation of the t transferred to the federal order which s agreed to

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April 17, 1953

LIFE INSURANCE EDITION

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Ponder How to Minimize Tax Collector's Bite on Renewal Account of General Agent

Ways and means for general agents to minimize the tax collector's bite on their renewal accounts were pondered during GAMC room-hopping night at Chicago, Monday, in the forum presided over by John Barker, Jr., general counsel of New England Mutual Life. This held a lot of practical interest and before the night was over there had been a triple turnover and the same ground was covered three times.

It can be said that Mr. Barker didn't have any sure fire gimmick up his sleeve and in general he seemed to have misgivings about most of the gimmicks that have been tried or that were suggested. Mr. Barker said that estate planning for general agents in respect to renewal commissions involve such matters as what to do with the renewal commissions during the man's lifetime, spreading the commissions after retirement and providing for a contract beneficiary, and making testamentary disposition.

He observed that the renewal commissions can be assigned with the consent of the insurer. They can be pledged to a bank, for instance. He referred to the U. S. Supreme Court decision in the Eubank case holding that the wife to whom the renewal account had been assigned could not put this in her income tax return because this was the fruit of her husband's labor and had to be in his return.

Such assignments, he said, are difficult for the insurer and they seem to offer no income tax advantage.

There is a possibility of savings on estate taxes by assignment to the wife. This may involve paying a gift tax. There is always the hazard the wife may predecease the general agent. Another hazard is that the gift might be held to be in contemplation of death.

Mr. Barker took up the Oates case in which James F. Oates on his retirement as general agent of Northwestern Mutual Life of Chicago had the value of his renewal interest computed and contracted to have it paid out on a level basis. Internal revenue bureau contended that Mr. Oates had complete dominion over these renewals and that he had constructive receipt of them according to the terms of the contract that were in effect when the business was produced. However, Mr. Oates contended that the renewal commissions depended on the happening of a future contingency which was the paying of premiums. The tax court held for Mr. Oates that the renewals could be included in the income tax returns as they were paid on the level basis. The commissioner filed a non-acquiescence in this case, and at the last possible moment filed an appeal. But nothing has been done to perfect an appeal. There is a possibility, Mr. Barker opined, that the internal revenue bureau will not fight this case any further, but will wait for a set of facts somewhere else that will suit its purposes better.

Mr. Barker said that general agents can enter into plans to spread their commissions over a longer period of time. They can take a chance on this, but he emphasized that the Oates case hasn't settled the matter for keeps.

Whenever business has already been written under a contract and then the incidence of the renewal commission is revised, the general agent is going to run into trouble. The safest way is to make the spreading arrangement applicable to future business. He em-

phasized that Mr. Oates had made an irrevocable arrangement.

When one of the men in the room asked whether a renewal account could be sold at arm's length and the transaction treated as a capital gain, Mr. Barker said there are no cases on this. He expressed the belief, however, that the internal revenue bureau would insist that renewals were earned by the sweat of the general agent's brow, and

would argue to the bitter end that this is income.

There was a question about an agency partnership with a buy and sell agreement and with the agreement funded. Would renewal commissions there be regarded as a capital asset? Mr. Barker replied that the Eubank case said that commissions had to be entered as earned.

On the matter of naming beneficiaries in agent's contracts so as to get the renewal commissions out of the estate, Mr. Barker said he is not very friendly to this. He said that some

companies do this and State Mutual Life has an effective way. He said in connection with probate, other heirs might contend that this was a testamentary disposition without being incorporated in the will, and they might charge that the disposition of the renewal commissions is void. In any event, he said the estate tax on the renewal account can't be avoided. He conceded that there might be a saving on executor's fees and probate expenses, but in this connection he advised the general agent to have a pre-

(CONTINUED ON PAGE 34)



His jokes were the wisdom of a people

Now, about this tellow Will Rogers—how are you going to explain to somebody who never saw him just why he was one of the real, honest-to-gosh heroes of this country?

He never did any of the things a hero is supposed to do. Never invented anything. Never discovered any place. Never built an industry, led an army or got to be President. Fact is, he never even tried.

All he did, mostly, was kind of laze around on a stage, and twirl a rope, and look rumped, and talk.

But when Will Rogers talked, something strong and happy in you found a voice. He'd go on about politics and economics and all those deep things that are usually talked about in hard and worrisome words. And what Will had to say was always so easy, so sensible and so right that it made you feel good, and it made you laugh.

Like the time Will got to talking about 100 per cent Americanism.

"The first thing I find out," he said, "is there ain't any such animal. This American

Animal is nothing but the big Honest Majority that you might find in any Country. It looks to me like he is just an Animal that has been going along, believing in right, doing right, tending to his business, letting the other fellows alone. He don't seem to be a Prodigy, and he don't seem to be a Simp. In fact, all I can find out about him is that he is just NORMAL."

Maybe the really great ones are those who remind us of what we are. And that must have been why, when comfortable, sassy old Will Rogers ambled out on the stage, looking like a fellow who'd be nobody's master and nobody's fool, you knew at once that the whole strength and point of America was in front of you. He was the good sense, the good heart, the good fun that democracy adds up to. He was what we are, and what we are driving at, and what we must never—even when the going is tough—forget.

John Hancock

MUTUAL LIFE INSURANCE COMPANY
BOSTON MASSACHUSETTS

Equifund



is the Company's
outstanding program
for providing retire-
ment income, death

benefits, health and accident pro-
tection, and hospital and surgical
expense for its field associates. Now
in its 15th year, EQUIFUND plays
an important part in the plans for
future security of each Career Life
Underwriter and his family.

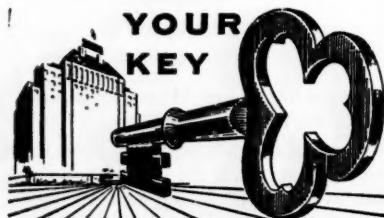
EQUITABLE LIFE

INSURANCE COMPANY OF IOWA

FOUNDED IN 1867 IN DES MOINES

KEYED FOR
CAREER LIFE
UNDERWRITERS

**HERE'S
YOUR
KEY**



**TO
The Shamrock
AND A
WELCOME**

WIDE AS TEXAS

Low package room rates for week-ends.

The Shamrock

HOUSTON

GLENN McCARTHY, President

FRANK H. BRIGGS, V. P. and Gen. Mgr.

NALU Committee Reports Reflect Year of Activity

State law and legislation committee, Oren D. Pritchard, Union Central, Indianapolis, chairman; Robert R. Reno, Jr., Equitable Society, Chicago, vice-chairman:

After a state-by-state review of legislative activity, the committee recommends "most strongly" to members representing states having no per-life limit on group term insurance that if they are not successful in obtaining the enactment of the new formula in their states this year they start as soon as possible to lay their plans for its introduction and enactment at the very next sessions of their respective state legislatures.

Regarding agents' qualification and license laws: About one-half the states still do not require an examination as a condition precedent to licensing. "We think it would be extremely helpful if each member of this committee who has been concerned with this type of legislation would give our headquarters aide as detailed a report as possible on his (or his association's) problems in trying to get the legislation enacted. Experience tends to indicate that the paramount reason for the failure of these qualification and license bills generally is the opposition of the smaller, local home offices, coupled with the indifference if not the opposition of the local insurance commissioner."

Compensation committee, headed by Spencer L. McCarty, Provident Mutual, Albany, executive secretary of the New York state association:

The report quotes a letter from Superintendent Bohlinger of New York suggesting that the compensation committee communicate with the New York department so that a study may be undertaken to develop necessary facts "upon which we can reach a supportable conclusion regarding agents' compensation next year."

Observed the McCarty committee in its report: "How to produce adequate figures has been discussed by N.A.L.U. and the department untold numbers of hours. We won't enumerate here the problem of getting adequate and representative figures. We do want you to be aware that if it is decided to go direct to our membership once again for figures on your life insurance activity the results of your wholehearted cooperation may have more to do with greater changes in section 213 than any amount of effort expended by the 13 members of your compensation committee. To this degree the responsibility will lie in the laps of the national council. We hope you will accept this report and we sincerely urge you to accept the responsibility that goes with it."

The report reviewed the events leading up to the enactment of the 1953 amendments to section 213 and pointed out that these measures still left untouched a number of problems, including the voucher system, the complexity of present section 213 and the need for change in section 213a, which deals with weekly premium insurance.

Special committee on A. & H., William E. North, New York Life, Chicago:

State A. & H. committees have been named in 35 state associations and 71 local associations have appointed A. & H. committees. The permanent organi-

zation is expected to be completed well ahead of the N.A.L.U. annual meeting in August.

The A. & H. committee has indicated its wish to participate in the disability insurance sales course largely developed by the late Bert A. Hedges, who was manager for Business Men's Assurance at Wichita. John Galloway, Provident Life & Accident, Birmingham, president of International Assn. of A. & H. Underwriters and a member of the N.A.L.U. A.&H. committee, has urged all members of I.A.A.H.U. who sell life insurance to maintain membership in their local life underwriters associations. "This relationship should make clear to N.A.L.U. members not in the disability field that our A. & H. program represents an expansion of N.A.L.U. service and will in no

(CONTINUED FROM PAGE 22)

**...and records
show that,
throughout
the length
and breadth
of the nation,
there are few
communities
indeed
without a
policyholder,
annuitant or
beneficiary of
the Sun Life
Assurance
Company of
Canada...**

A. H. McAulay Lauds Agent as Vital Link in Underwriting, Placing Substandard Cases

WHITE SULPHUR SPRINGS—The agent is a vital factor in the underwriting of substandard business and one of the most important factors in placing substandard is the agent's belief that the underwriting of his company on substandard business is, on the whole, competitive, said A. H. McAulay, vice-president and director of selection National Life of Vermont, at the annual meeting of the Home Office Life Underwriters Assn.



A. H. McAulay

"If the agent has had experience in substandard business, he will know that he cannot expect his company to beat the field in every case and that there will be cases where a company that is considered extremely conservative in its underwriting may offer standard insurance on a case where even the most liberal of companies would want a rating," said Mr. McAulay. "The normal setup of even a competitive company might be that out of 10 cases there might be perhaps one or two where the company is better than the rest of the field, one or two where it is charging more than the rest of the field, with the balance of the cases where it is practically identical. If the agent has reason to believe his company is offering substandard insurance at rates which are reasonably competitive, it gives him more confidence in placing a substandard policy."

Mr. McAulay pointed out that there are hundreds of companies competing with one another for substandard business and each is trying, in its own way, to solve the underwriting problems involved. For each company there is the problem of trying to develop the needed information on the risk with a minimum of delay, trouble and expense to the company and to the agent—of trying to evaluate the information received while taking account of the selection for or against the company, the lack of complete information on the risk and the ever-changing mortality pattern—and of then trying to have the rated policy delivered and paid for.

"There are many ways of solving these problems," he said, "but to my mind the solution, as in so many other problems of ordinary life insurance, will first come from the well-trained agent doing an honest and professional job for the company as well as for the policyholder. We should always remember that it is the agent who selects the types of risks submitted to the company, that he will determine to a considerable extent the selection exercised for or against the company, and that he plays an all-important part in determining whether or not the rated policy on which we have spent so much time and money will be paid for."

The speaker advocated taking the record of the agent or agency into account in borderline cases rather than spending a lot of time and effort in deciding whether a case is borderline-standard or borderline-substandard. It may be more important, he said, to determine if the company is being selected against and, as an example, is getting an undue proportion of risks at the upper limit of "standard" from a

given agent or agency. If a company is getting a good distribution of quality of risks, with a proper share of around 85% mortality, it doesn't matter so much whether some risk is called 125% and taken standard when maybe it really should be 135% and substandard.

Mr. McAulay's view is that even if considerably more accurate selection could be achieved by more detailed

tests and expensive procedures, there is no justification for them if all they would do is prevent an extra mortality about equal to the added cost they would represent.

"As a life insurance company, it is our primary job to pay death claims, not expenses, and the low mortality which we so proudly exhibit may not be worth the expense, both in the home office and in the field, in obtaining it," he said. "The same theory is, I believe, true in regard to substandard insurance."

Mr. McAulay stressed the place of the

agent in expediting underwriting and making the home office's methods seem reasonable to the applicant who is impressed with the speed and ease with which group coverage can be supplied. He suggested that the agent, or at least the agency head, be supplied with an underwriting manual outlining in general terms what the company would do on various impairments. The agent can be expected to spot obvious impairments and have some idea what the company is likely to do about them.

While some consider that the selec-

(CONTINUED ON PAGE 32)



JOHN STEVENS

John Stevens had never sold life insurance before coming with the Franklin. A graduate of Indiana University in 1948, he worked for a short time for the Sheaffer Pen Company, later, as Assistant Manager, with Woolworth. His Franklin contract was signed in late 1950. 1951 was his first full year.

Here is the record of his cash earnings:

1951 . . .	\$ 6,778.36
1952 . . .	\$10,124.45

GENERAL AGENCY
OPPORTUNITY IN
COLUMBUS, OHIO

Our Exclusives . . . the Magic Key to Success

February 25, 1953

Mr. Francis J. O'Brien, Vice President
The Franklin Life Insurance Company
Springfield, Illinois

Dear O'B:

OPEN SESAME! Our four exclusive contracts represent the MAGIC KEY to incomparable success. Believe me, from the very bottom of my heart when I tell you that the satisfaction, security, and earnings derived from these exclusive plans have far exceeded my fondest expectations for achievement this early in life.

A successful business man once told me, "Job satisfaction plus high earnings, early in life, is a rare combination. You sacrifice one for the other. The latter usually comes in mature years." This theory has been disproved, by far, since my association with the friendly Franklin.

Confidentially, O'B, I couldn't imagine myself selling the usual types of life insurance. But with our Exclusives I find public reaction most receptive. It's a pleasure to tell my story.

Success, as I see it, necessitates an all-around, well-balanced, exhilarating team. It is my privilege to be a member of such a team, the FRIENDLY FRANKLIN TEAM, which is so well captained by President Chas. E. Becker, who truly personifies and expounds the theories of old BEN FRANKLIN, another one of our countries greatest leaders.

This may sound like another typical Franklin success story, but—well, it is!

Cordially,
John Stevens



The Friendly

FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT

SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

One of the 15 Oldest Stock Legal Reserve Life Companies in America

Over a Billion Three Hundred Million Dollars of Insurance in Force

Up to Larson to Prove Charges in Policy Ruckus With Bankers L. & C.

Bankers Life & Casualty has made no petition for rehearing of the Florida supreme court's ruling in its dispute with Commissioner Larson of Florida over approval of Bankers' policies. Bankers had won on every point in the lower court, and was overruled only on the question of sufficiency of notice in the latest decision.

Mr. Larson had attempted to cancel the company's license indirectly by disapproving every policy previously approved, but the lower court decreed each policy must be judged on its own merits; that the burden of proof was upon the commissioner to establish and support any charges; that the commissioner had no authority to prevent the company from using its registered trade mark, "White Cross Plan"; and that the notice of the hearing was insufficient. The supreme court reversed the lower court on this last point only. The balance of the original decree was affirmed.

One of the most important parts of the decree is that the burden of proof

to establish and support charges is now on the commissioner.

No hearing has yet been held. Bankers filed suit to determine the power and jurisdiction of the commissioner.

New England Actuaries Set Program for April 24 Meet

The program has been finished for the joint meeting of Actuaries' Clubs of New England, to be held April 24 at Springfield, Mass. Dinner speaker is John R. Larus, vice-president and actuary of Phoenix Mutual Life, president of Society of Actuaries.

Chairmen for the business meeting are Morton Laird, actuary of National Life of Vermont, and Henry S. Beers, vice-president of Aetna Life.

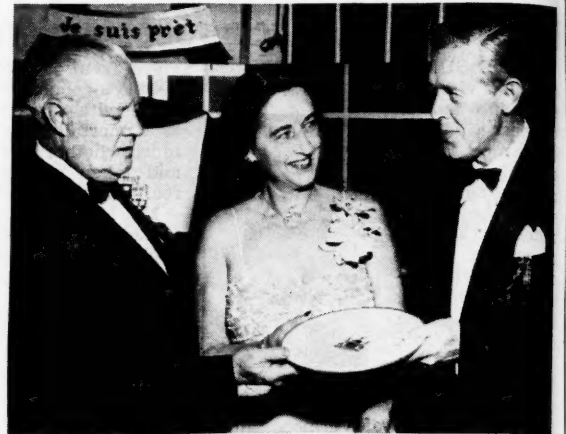
Topics for discussion include company surplus, agents' security benefits, and mechanization of office procedures.

Reighart Joins Agency

C. Elmer Reighart has resigned as assistant manager of the Travelers Life department at Detroit to become manager of the life and A. & H. department of the Wilkerson agency in that city. He has been in Detroit for Travelers about two years and prior to that was at Pittsburgh.

Fete P. M. Fraser on 35th Connecticut Mutual Year

Peter M. Fraser, left, president of Connecticut Mutual Life, receives a gift of 12 Tiffany service plates with the Fraser crest in color while Mrs. Fraser, center, looks on. George F. B. Smith, executive vice-president, presented the gift to Mr. Fraser on behalf of company officers at a dinner honoring his 35th anniversary with the company.



Entertainment between each course was planned by the officers. Highlighting this was a set of slides depicting Peter Fraser's life from youth to today with running commentary in rich Scotch brogue—a reminder of Mr. Fraser's ancestry. A skit enacted by Harold N. Chandler, Gaylord L. Paine,

Clifford R. Walker and Paul T. Harkness, Jr., portrayed in a humorous light how Mr. Fraser first joined the company's ranks in 1918. Highland numbers were sung by a quartet including Messrs. Chandler, Stanley G. Hart, E. A. Starr and George F. B. Smith.

EVERYONE'S TALKING!

OUR GENERAL AGENTS—ABOUT CROWN LIFE'S

- Lower rates
- New Policy Plans
- Greater Opportunities



BROKERS AND SURPLUS WRITERS—ABOUT CROWN LIFE'S

- Ability to provide the extra services they need.

POLICY OWNERS—ABOUT CROWN LIFE'S

- Low cost protection
- Understandable policies
- Our outstanding record of achievement

For comparisons at a glance — ask for Crown Life's dial-a-rate card — rates at all ages for most plans with a flick of the finger.

We are talking about further expansion.

CROWN LIFE
INSURANCE COMPANY
HOME OFFICE, TORONTO, CANADA

Over One Billion in force in our 52nd year

Licensed in: Alabama, Alaska, Arizona, California, Colorado, District of Columbia, Florida, Hawaii, Idaho, Indiana, Kansas, Louisiana, Michigan, Minnesota, Mississippi, Missouri, New Jersey, New Mexico, North Dakota, Ohio, Oregon, Puerto Rico, Texas, Virgin Islands, Washington.

And now licensed in the states of Maryland and Georgia.

Two-fold Benefit to A. & H. Agents, Indiana Assn. Told

Anything the agent can do to sharpen his sales techniques in the A. & H. field is not only a matter of more commission dollars but also a weapon in the fight against socialization of the business, Donald A. Baker, managing editor, *The Insurance Salesman*, told members of Indiana Assn. of A. & H. Underwriters at a meeting in Indianapolis.

"The threat of socialization still hangs over us despite the change of administration in Washington," Mr. Baker warned, citing as evidence the Republican platform pledge to expand social security. He added that there was no question but that some system of disability coverage will be tacked onto social security in the next few years.

Insurance people also tend to forget that socialization of insurance can be accomplished at state as well as national level, the speaker warned. "Witness," he said, "the number of states in which bills to establish compulsory non-occupational disability were introduced this year, including Indiana."

Hepler Made Pacific Group Manager for United Benefit

Cliff W. Hepler, since 1941 with Mutual Benefit H. & A. and United Benefit Life as manager of the home office group department, has been named Pacific Coast regional group manager for the two companies, with headquarters in Los Angeles. The office will serve California, Nevada, Utah and Arizona.

Al Randall, who joined the two companies in 1941 as an A. & H. underwriter, has been named manager of the home office group department, succeeding Mr. Hepler. Mr. Randall has been Mr. Hepler's assistant for five years.

Collects Own Life Policy

Frank Goetzmann, retired lumberman from Picayune, Miss., has outlived the insurance mortality tables to collect the proceeds of the \$1,144 life insurance policy he bought from Mutual Life of New York in 1890.

Mr. Goetzmann, 95, has 100 living descendants, including four great-great grandchildren. The 96th anniversary of the policy was April 8.

Southland Life Home Office Officials on Regional Tour

Southland Life officials, headed by Chairman John W. Carpenter, President Dan C. Williams and Executive Vice-president Ben H. Carpenter, opened a series of regional meetings at Washington, D. C., for representatives of the continental division of the company.

These will be followed by meetings in Old Point Comfort, Va.; Raleigh, N. C.; Greensboro, N. C.; and Natural Bridge, Va. More than 500 agents and employees of Southland Life will participate in the meetings.

Alden C. Palmer, vice-president and educational director of the Insurance Research and Review Service, Indianapolis, gave the principal address at the Washington meeting and will speak at each successive meeting.

Mr. Williams, in discussing the company's plans for further expansion, pointed out that last year's program resulted in insurance in force now of over \$760 million and assets at an all-time high of \$160 million.

In 1952, Southland Life recorded the best year in its 45-year history. New business totaled \$101,147,527, an increase of 71.8% over 1950. New business during the first three months of 1953 shows an increase of 40% over the same period of 1952.

Mr. Carpenter announced that Southland Life now has been authorized to operate in Tennessee, the ninth state in which it now does business, in addition to the District of Columbia.

Others in the Dallas party were Dr. Hall Shannon, vice-president and medical director; Kenneth B. Skinner, vice-president and agency director; John L. Briggs, vice-president and director of public relations; and James B. Goodson, assistant vice-president.

Washington division office officials who joined the home office group for the remainder of the tour were: P. Vernon Cox, vice-president and general manager of the division; Louis F. Runge, assistant vice-president and superintendent of agencies; Howard M. Baggett, agency secretary; Al O. Sullivan and Ed S. Watkins, agency supervisors; and Tom B. McDonald, director of training for the division office.

New K. C. Life Statistician

Kansas City Life has named W. G. Waters statistician, a new post.

Mr. Waters joined the company in 1925 and for 12 years was in the actuarial department. Since 1937 he has been supervisor of the tabulating department.

Ark. Association Uses Strong Words Against Dues Hike

LITTLE ROCK, ARK.—Two strong resolutions opposing a proposal for increased dues to the National Association of Life Underwriters were adopted by the Arkansas association at its annual business meeting held during a sales congress in Little Rock.

In effect the resolutions challenged the National association to stop trying to be all things to all phases of the business and to become, in truth, an association representative of soliciting life insurance agents, controlled by them and working in their behalf.

The first resolution opposed higher N.A.L.U. dues on two main counts. The first count supported the Cincinnati association's position that N.A.L.U. direction should come from the local associations, and that present facilities should be used for liaison between the N.A.L.U. office and the local units instead of increasing expenses beyond existing facilities.

The second count declared that legislative counsel and actuarial work now is being provided by companies for the entire institution and its customers, in line with their obligation. The resolution further argued that the N.A.L.U. could not work on anything that was in opposition to the companies because a third of its income is from companies and because much of its activity is from individuals who are salaried employees of companies or from general agents. It also declared that since the N.A.L.U. has legally declared that it will not be a "bargaining agency" it is not in a position to negotiate with companies or company organizations as representing contract agents.

The second resolution urged the national council, which is in session this week at Chicago in connection with the annual mid-year N.A.L.U. meeting, to appoint a special committee of contract agents to draft proposed amendments to the N.A.L.U. constitution and by-laws for a revised plan of operation that would eliminate company financial support and company-controlled individuals from policy-making positions in the organization. It urged that the proposed amendments be submitted at the next annual N.A.L.U. convention at Cleveland in September.

"It seems to members of this association," the resolution added, "that life insurance salesmen (nearly 200,000 in the country) need an organization to represent them exclusively. Events of recent months and years show clearly that the companies are not disposed to recognize the needs for increased commissions occasioned by increased costs of operation on the part of salesmen, and the N.A.L.U. as presently constituted has been ineffectual in dealing with government supervision and company bargaining committees on those points."

New officers of the Arkansas association, elected during the sales congress, which attracted 525 agents, are: President, Burnus Payne, National Life of Vermont, Jonesboro, and these vice-presidents: Larry Buffalo, Mutual Benefit Life, Little Rock; John Futch, Life of Georgia, Fort Smith, and Lee Ellison, Farmers & Bankers Life, El Dorado. Immediate past-president is C. Everett Nix, National Life & Accident Little Rock.

Five sales congress speakers were: R. E. Shay, Bankers Life of Iowa; A. R. Jaqua, director, Southern Methodist Institute; W. Sheffield Owen, Life of

Georgia; Louie E. Throgmorton, vice-president, Republic National, Dallas, and Frank Bettger, author and lecturer.

Shenandoah Life Convention

More than 100 qualifiers attended the Shenandoah Life convention at St. Petersburg, Fla.

Convention speakers included President Paul C. Buford; G. Frank Clement, vice-president of agencies; A. N. Matthews, actuary; T. T. Moore, comptroller; David S. Garner, medical director; R. H. Davis, superintendent of agencies; C. Tom Chandler, agency

assistant, and C. C. Camp, agency secretary.

R. J. Bruce to Wilmington

Robert J. Bruce has been appointed manager at Wilmington for Prudential to succeed David G. Morse, retired. Mr. Morse headed the office for 28 years.

With the company since 1936, Mr. Bruce has been working in Prudential's home office for the past year. He previously had been manager at New Brunswick, N. J., and before that was an agent and later a staff manager at Millville, N. J.

Mutual Benefit Official Sees Prosperity in 1953

Vice-chairman John S. Thompson, in his annual report, told policyholders of Mutual Benefit Life that many factors combine to assure persistent business, perhaps even new high records in life sales for 1953.

"But general prosperity, while it produces a favorable climate for the life insurance business, does not automatically increase the amount of life insurance purchased," he said. "Life insurance must be aggressively and intelligently presented by an agent."



Keep Your Eye on the **MONEY** representative!

Mutual Of New York field underwriters are *really* walking on air this year! Just take a look at the record for 1952 . . . and you'll soon know why.

Increase in Sales—new Life Insurance totaling \$313.9 millions was issued during 1952, the biggest year since 1931 except for 1947 (remember the Guertin Law!).

Surplus Nearing Legal Limit—during 1952, \$12.6 millions was added to the Company's Surplus Fund, bringing the total fund to \$198.5 millions. This is 9.88% of policy reserves and deposit liabilities, a surplus that is pressing against the 10%

legal limit allowed under New York State Insurance Law!

Increase in Dividends—dividends for policyholders for 1953 will be \$23.1 millions. This is \$2.3 millions more than 1952, \$2.9 millions greater than 1951, and \$6.3 millions more than 1950!

Yes, sir, keep your eye on the MONEY representative. He's backed by a Company that is aggressively moving forward—a company with greater sales, better competitive position, and more coverages than ever before. No wonder the MONEY representative is walking on air!

WEATHER STAR SIGNALS ON
TOP OF OUR HOME OFFICE
Green Fair
Orange Cloudy
Orange flashing Rain
White flashing Snow



MUTUAL OF NEW YORK

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The Mutual Life Insurance Company of New York, Broadway at 55th Street, New York, N. Y.

Sales Ideas That Work

BALTIMORE-WASHINGTON CONGRESS

Zeigen Tells How to Use Complacency Disturbers in Estate-Planning Work

BALTIMORE—Speaking on "Complacency Disturbers in Estate Planning", Samuel L. Zeigen, general agent of Provident Mutual at New York City, told the Baltimore-Washington sales congress that the average business man and estate owner is so busy with his everyday living problems that he gives very little thought to the impact of the estate tax.

Such a man doesn't know the true value of his assets and has no concept of the difficulties that arise when such assets are valued at a higher figure than he had estimated and the family finds it difficult to raise the necessary cash to pay the taxes on the increased value. This is especially true if the

man dies leaving a successful business, because the government is interested in taxing the market value rather than the book value.

Frequently these men have overlooked the importance of having their wills brought up to date and many of them leave no will at all. If they could be made to realize the unnecessary hardship, expense and litigation that lack of planning causes, there is no doubt that the estate owner would take immediate steps to correct the situation, said Mr. Zeigen. A series of disturbing questions about such phases of estate planning as liquidity, double taxation, jointly-owned property, income tax savings, business continu-

ation, and the like should narrow down the time between the interview and arousing the necessary concern that will impel the prospect to proceed with a proper estate plan.

It is not only the job but the duty of the agent, said Mr. Zeigen, to call

these facts to the attention of his client because he is not bound by a code of ethics which prevents attorneys and accountants from soliciting their clients for this type of business.

Addresses by other speakers are reported elsewhere in this issue.

GAMC MEETING IN CHICAGO

Fred White Tells Managers How He Uses Tax Angles to Help His Agents Sell

"Why should you take a 5% risk for a 3% return?" is a question that Fred



Fred H. White

White uses to startle prospects into a realization that income from stocks and bonds has a decided tax disadvantage as compared with life insurance.

Addressing the meeting of the General Agents & Managers Conference of N.A.L.U. at Chicago this week, Mr. White outlined what his agency has been able to accomplish since he became general agent of Massachusetts at Buffalo three years ago. The agency produced \$3 million in 1950, \$4½ million in 1952, more than \$5 million in 1952, while for the first quarter of 1953 production was just under \$1½ million.

The agents use the question about a 5% risk for a 3% return by showing a prospect that if he is earning as much as \$10,000 a year, the next dollar he earns will be taxed at a 42% rate, so his net earning at 5% is really only 3%. If he's in a 70% bracket he gets to keep only 1½%. One of these 70 percenters got so intrigued by this idea that within a week he sold some of his stocks and paid Mr. White \$37,500 for a single premium ordinary life contract.

Another effective question is, "Do you know, Mr. Jones, that at age 65 you are entitled to receive an annual income of \$8,500 a year tax free, providing the money comes from life insurance?" The agent explains that if a man saves \$10 a week, or \$500 a year he'd pay in \$15,000 in 30 years and at age 65 would get back about \$20,000 whether the money went into a savings bank, savings and loan association, government bonds, or life insurance.

But this would produce only about a 3% return from a savings and loan association, for example, or \$600 a year. But invested in life insurance it would return a life income of \$1,500 a year, but with the advantage of the "3% rule" applying to income from annuities. If he were able to sock away enough to buy six times that much, he would have an income at 65 of \$9,000 a year, on which he'd report 3% or \$2,700 in his tax return. A man and his wife, both 65, have a total exemption of \$2,400, so only \$300 would be taxable—meaning that \$8,700 would be received tax-free to about age 80, after which he would have to report the full amount toward taxable income.

A phrase that has proved highly effective with the stock-minded prospect is, "Why buy stocks at an all-time high when you can buy dollars at an all-time low?" Another useful concept: Investment houses are trying to interest the small investor because the tax situation is so tough on the big-income man. The man earning \$10,000 to \$20,000 a year doesn't like to think he is doing something the \$4,000-\$5,000 man can do.

"Well, there's one thing the \$10,000 to \$20,000 man can do and that's to walk

out and buy \$50,000 or \$100,000 of life insurance and pay for it annually or several years ahead," said Mr. White. "And when we show him the tax advantages he's pretty well convinced that that is the thing for him to do."

Mr. White is entitled to speak as a salesman, for he not only does personal selling but a great deal of joint work with his agents—though he never shares in their commissions. He closes at least one case a week for some agent and some weeks as many as three or four.

Book Shows Tax-Sheltered Procedures for Family Use

NEW YORK—*Tax Shelter for the Family*, prepared by William J. Casey, New York lawyer, and J. K. Lasser, C.P.A. and tax expert, shows how the present tax structure impairs ability to save for the future, educate children, finance retirement, and carry adequate insurance protection, following which the book outlines ways to reduce the tax obstacles to financing family security.

For example, for a 40-year old man earning \$40,000 a year to assure himself and his wife a cash income, after taxes, of \$400 a month at age 60, it takes the income of \$200,000 capital yielding 5%. By transferring the saving program to a trust, the same objective may be obtainable on the income of \$85,000 worth of capital.

Or, suppose a father wants to develop a \$10,000 fund for a child over a period of 20 years. If he does it out of his own savings it will take the accumulation of a 5% yield on \$20,000 of capital. If he does it through a 20-year trust for his child, \$8,000 worth of capital will do the same job, or if he wants to part with some of the capital, he can do the same job by making a \$4,000 gift directly to the child so that the child will have an accumulation of \$20,000 in 20 years.

Messrs. Casey and Lasser develop many variations of the ways in which the most can be made of opportunities available under the present tax structure, including ways in which a family business can be organized. *Tax Shelter for the Family* is published by Business Reports, Inc., 225 West 34th street, New York 1, N. Y., at \$12.50.

Rogers Agency Director For North American, Ill.

Ronald D. Rogers has been promoted to director of agencies for North American Life of Chicago. Mr. Rogers was appointed agency secretary in 1946, assistant superintendent of agencies in 1947, superintendent of agencies in 1950 and assistant director of agencies in 1952.

•Frank P. McGuire, associate counsel, Connecticut General Life, will be guest speaker at the April 24 meeting of the Life Managers and General Agents Assn. of Milwaukee. His subject will be "The Legal Department of Your Home Office."

THE LAND OF
OPPORTUNITY
OPENED TO
MEN WITH VISION



... And
Opportunity
is Speeding
Your Way
TODAY!

THE PONY EXPRESS . . . highlights one of the most dramatic episodes in the saga of the West. Speeding riders spurring from St. Joseph, Missouri, to the Pacific, amidst unbounded hazards, helped to link more closely the contact of the nation's people.

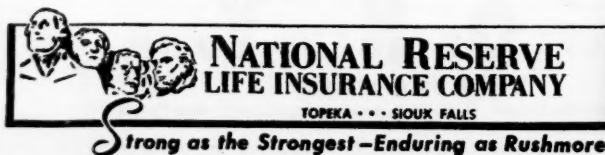
Today, National Reserve Life, a \$145,000,000 organization is likewise racing steadily ahead in the rich area west of the Mississippi, "where the spirit of the pioneer still prevails"—and there are unlimited opportunities open to men of General Agency qualifications with our progressive company.

Our big expansion program now in high gear is attracting men with vision—who want a profitable career in the field of Agency Building.

Let us give you complete, confidential information today.

S. H. WITMER, Chm. of the Board
H. O. CHAPMAN, Pres.

Write W. E. Moore,
Agcy. V.P.,
Agcy. Hq., Topeka



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Strong as the Strongest—Enduring as Rushmore



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H. & A. Underwriters Group Plans Events

H. & A. Underwriters Conference has scheduled two events at Chicago's Drake hotel in May and October.

Program for the conference's annual meeting May 4-6 includes a dinner, a luncheon at which retiring conference Manager C. O. Pauley will be featured speaker, several receptions, a special ladies' program, and golf tournament.

The 24 companies which joined the conference in the last 12 months will be feted at a special luncheon following the closing session May 6. In all, 194 companies will be represented and entertained at a pre-meeting reception by host companies from Illinois, Indiana and Wisconsin.

After noon recess on the first day of the meeting, the "Fogey-Bogey" golf tournament will take place at Medinah Country Club's Number two course and in the afternoon a women's program will be held at the Lake Shore Club.

At the conference's two-day home office costs forum Oct. 19-20, Edward O'Toole, cost and efficiency expert, will be principal speaker. Mr. O'Toole, of the New York management consultant firm of Edward O'Toole and Associates, will share the program with Irving Wood, Mutual Benefit H. & A., who will talk on renewal costs.

Other talks will be devoted to departmental and functional costs theories, and a panel discussion will consider four phases of costs: claims, underwriting, renewal and field.

Myers Tells Cincinnati Agents the Qualities of a Successful Salesman

"You and Money" as two most important interests to A. & H. salesmen, and to insurance buyers, were combined by Robert G. Myers, general agent of Massachusetts Protective and Paul Revere Life, Cincinnati, as the subject of his address at the April meeting of Cincinnati Assn. of A. & H. Underwriters.

"You are the most important person in the world to yourself," he explained, "and, whether you know it or not, you are selling money to people to earn money for yourself and family." Approach a prospect with: "I want to talk about you and money—are you interested?" and the answer is, "Yes, tell me about it."

"Money when it is needed most—that's what we are selling," he said. "We earn our money by persuading people to do things we recommend—that's all there is to A. & H. selling."

In explaining why some people are more successful in persuading people to buy, he discussed three qualities of successful salesmen:

1. The right attitude toward themselves and their business. This means that a man builds confidence in himself and his ability to do his job. This in turn gives him the assurance necessary to face his prospect and tell a convincing story through knowledge of his product and what it will do for the client. He sincerely recognizes the prospect's need and earnestly tries to meet it.

2. Willingness to work. Studies show that the average workman spends only 25% of his energy and ability on his job. The successful man exerts 40% to 50% of his energy and ability. Between the average worker and the successful one is a difference of only 15% to 20% of untapped reserves that the average worker fails to use in preventing himself from being a success.

3. Wanting money badly enough.

This incentive causes the salesman to make the last desperate call—the big try—and to make it a successful one. It can raise the level of the average salesman's production under the stress of needed funds. It can even mean the difference between a man's failure and success.

Mr. Myers said that with these three qualities a man puts the final link in his chain of success, which is prestige,

and that builds business, keeps it on the books, opens doors, and assures success in business.

The new president, Frank L. Baker, Kentucky Central, announced a general membership drive, aimed at making the Cincinnati association "the biggest and best in the country."

• The Life Insurance and Trust Council of North Jersey, at a dinner meeting at Newark April 22, will hear Frank

P. McGuire, associate counsel, Connecticut General, on "Income Settlement Agreements, Trusts and Taxes."

Knowlton Named to Third Term in New Hampshire

Gov. Gregg of New Hampshire has reappointed Donald Knowlton to his third five-year term as insurance commissioner. The new term will commence June 9.

A NORTHWESTERN MUTUAL POLICYHOLDER for 47 years. Mr. Brown bought the first of his several policies with this company back in 1906, just a year after he graduated from college.



"To overlook this danger is to risk the security of your family"

A message of interest to those who would safeguard the futures of their families

by EDWARD EAGLE BROWN, Chairman of the Board, First National Bank of Chicago

"TODAY, it may hardly seem necessary to mention that debts and inheritance taxes can become a real threat to family security.

"And yet, as a banker, I have seen this happen time and again. A man works hard for his wife and children. He looks ahead and plans for them with all too little thought for how much will go for taxes and other obligations.

"As a result, the heirs may have to sacrifice choice assets. For these charges must be paid immediately and in cash.

"Moreover, such liabilities are not just

a 'rich man's problem'. Under present conditions, they affect even relatively small amounts that may be set aside by average families.

"But there is an answer—a simple, sure one. The right amount of life insurance, integrated with the other arrangements, can readily care for such cash demands.

"We always urge that a competent life insurance agent be among those consulted when the original thinking is done. With a well-arranged program of life insurance, it becomes difficult to upset the family security that is planned for."

HOW THE NORTHWESTERN MUTUAL AGENT PREPARES TO SOLVE YOUR PROBLEMS

BY CHARACTER, ability, and training Northwestern Mutual agents are well qualified. Many have earned the designation of Chartered Life Underwriter.

Why have such men chosen to represent Northwestern Mutual? This company has over 95 years' experience. It is one of the largest in the world. It accepts applications only through its own agents.

Because of its unique advantages, including low net cost, nearly half the new policies issued go to present policyholders.

For a sound review of your security plans, call a Northwestern Mutual agent.

The NORTHWESTERN MUTUAL Life Insurance Company

MILWAUKEE, WISCONSIN

APPEARING IN: TIME, MARCH 2 AND MARCH 30; IN NEWSWEEK, MARCH 16 AND APRIL 13

EDITORIAL COMMENT

Help at Hand for Saturday Workers

Ever stay after hours or go to the office Saturday to catch up on some work, only to have your efficiency reduced about 75% answering telephone calls from people seeking intricate information about something outside your bailiwick? It's never some fellow who's just decided he wants an agent to come around right away so he can buy some insurance. The easiest are those that are so far outside your own orbit that you can just say with a clear conscience that you don't know and you don't know where to find out and he'd better call back on Monday. The worst are the ones where you think you can easily find the answer and then discover after you get into it that finding dinosaur eggs would be a lot easier. You end up wasting your own time and making the inquirer quite certain that he is dealing with an organization of lunkheads.

Well, there's an answer for this problem and it's also the answer for offices, if there still are any in life insurance business, that keep a one-man or one-woman skeleton force on hand Saturdays to answer the telephone. It's the Bell System automatic answering service. It's a lot cheaper than keeping even the lowest priced piece of help on the job and in an agency that employs no one for this purpose it permits the agents who are using the off-hours to catch up on their programming, estate analysis and policy audits complete freedom to keep on punching the calculating machine and not get sidetracked with questions from policyholders who want to know if they have used up their last day of grace. The service costs \$12.50 a month plus a \$15 installation charge.

It might be thought that the automatic answering service would seem cold and impersonal but as a matter of public relations the new system has

been found to work very well. It always answers in a clear, pleasant voice and provides as much information as could usually be supplied by a live answerer, besides which it has the priceless advantage of knowing its own limitations. It never has to tell an inquirer, after getting his hopes up, that the answer can't be found. The machine's pleasant manner contrasts favorably with what might emanate from a lot of human answerers, most of whom would not be overjoyed at being interrupted at whatever urgent task was impelling them to work after hours.

The answering service is by no means limited to agencies. American Surety, one of the largest indemnity insurance companies, uses it at its home office in New York City. Formerly the after-hours and weekend telephone calls were set to funnel into the lobby phone for answering by the night elevator operator or porter. Now such calls are answered by the device.

As soon as a telephone call comes in the machine says, "Beekman 3-7000, American Surety. This is a transcription by Bell System automatic answering service. This office is closed until 8:35 a.m. If you wish to leave a message, talk at the first tone signal and continue until the second signal." On weekends the message is changed by giving the opening time as 8:35 Monday morning and including an invitation to call a given number in case of a serious accident needing immediate attention. The messages are recorded on a cylinder by magnetic impulses and are transcribed the next business day and promptly distributed for handling.

No, the machine hasn't been rigged up to give a sales talk. But short of that it seems like a worth-while adjunct to modern business life in this modern age.

Victims of Statutory Hypocrisy

Many hospitalization insurance companies, and to an extent this entire category of insurers, are being unfairly stigmatized because of nationwide publicity given to a recent series of articles in the Louisville *Times* on the suddenly discovered fact that the veterans' administration for more than a year has not attempted to collect hospitalization insurance payments from insurers that exclude coverage for stays in veterans' hospitals.

The implication of the Louisville *Times* stories and what the wire services picked up from the series and carried nationally was that insurance companies were ducking their obligations in putting this type of exclusion in their policies.

The truth is that the insurers are the victims of about as blatant a case of statutory hypocrisy as there is any record of. The law provides that a veteran with a non-service connected

disability can be hospitalized at a veterans' hospital without charge if he certifies that he hasn't the money to pay his hospital bills. On its face, this seems no more than fair. But there is a clever little joker in the law, which says that the VA must not question the statement of an applicant for hospitalization that he can't pay the charges. As a result, surveys have shown that applicants with incomes of up to \$50,000 a year and as much as \$500,000 in property have declared themselves incapable of paying their hospital bills and have thus obtained free care.

Because of the law, the VA has to accept as free patients even those who drive up to the hospital in their own Cadillacs. Yet, if the veteran, wealthy or not, has hospitalization coverage of the reimbursement type, he is requested to sign an assignment form so that the VA may recover from the insurer the amount that would have been payable if an ordinary hospital were involved. Up to about a year ago the VA was trying to recover from all hospitalization insurers under reimbursement type policies but when it found out that the exclusion applying to veterans' hospitals was valid, it gave up on those but still collects where there is no such exclusion.

It is curious and significant that the VA only seeks to collect under the reimbursement type of contract. If it is an indemnity form of coverage, under which the patient receives hospitalization benefits regardless of whether he pays the money to a hospital or not, the VA refrains from any attempt to recover. In other words, the VA doesn't mind sticking the insurance company but it is very wary of trying to collect anything from even the best-heeled veteran.

The law having made a complete mockery of the means test, it is obvious that the government is in the business of supplying free hospitalization coverage to veterans. That being

so, it seems inconsistent that the service should suddenly become non-free if there is any reimbursement type insurance involved.

To put it in the simplest terms, if a person is entitled to get something free, why shouldn't he get it free? If his hospitalization insurance rate is pitched to reflect the cost of paying for VA hospital coverage that is supposed to be free, then to that extent the veteran with hospitalization insurance is clearly not getting his VA hospitalization free at all. By nicking the insurers that don't exclude hospitalization in veterans' hospitals, the government is evading its own declared policy of giving veterans free insurance.

Clearly, if the law were to be freed of its present hypocrisy and the government either forced non-destitute veterans to pay for hospitalization for non-service-connected disabilities or, on the other hand, came out with an honest free hospitalization announcement, all the present trouble would disappear.

If free hospitalization for non-service-connected disabilities were confined to the truly indigent veterans, there would be little trouble for insurers. Most people who are insured under hospitalization have jobs or they wouldn't be able to pay the premiums or have an employer to pay them. On the other hand, if all veterans were given free hospitalization without strings attached there would of course be no ground for the VA to make claims against insurers.

The government does not attempt to collect for the expense it is put to in interring the war dead in government cemeteries, even under the facility of payment clauses in industrial policies. It seems hardly more consistent for the government to provide free hospitalization for veterans as part of the appreciation of a grateful nation to those who have served it well and then turn around and put the bite on the insurance companies to pay for it.

PERSONALS

Robert E. Dineen, vice-president of Northwestern Mutual Life, has been appointed chairman of the central division of Milwaukee Community Chest for the 1953 fund raising campaign.

Joseph M. Downs, vice-president, Ohio State Life, has been nominated for regional vice-president of the Mortgage Bankers Assn. of America.

Philip R. Chase, general agent of Northwestern Mutual Life at Syracuse, N. Y., has been elected president of Syracuse Chamber of Commerce. Mr. Chase also is president of New York State Assn. of Life Underwriters.

DEATHS

WILLIAM C. COZART, 33, assistant secretary of Durham Life, died at his home at Raleigh, N. C., following a long illness. His father David L. Cozart is company treasurer.

CHARLES F. LAROS, manager at Philadelphia for Prudential, died at Fitzgerald-Mercy hospital there at the age of 50. He was with Prudential for 20 years.

JOHN S. TURN, retired vice president and general manager at New York for Aetna Life, died at his home at Tunkhannock, Pa., at 83. Mr. Turn's career spanned more than four decades.

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—LIFE INSURANCE EDITION

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ades. Starting as a local agent in 1895, he was associated with United States Casualty and the Travelers before joining Aetna Life in 1914 as manager at Philadelphia. Three years later he was transferred to New York as general manager and for the next 20 years directed the Aetna's operations there.

W. GRAHAM COLE, 63, assistant secretary of Metropolitan Life, plunged to his death from his eighth-floor apartment in Peter Cooper Village, N. Y. Mr. Cole had suffered shoulder injuries in an automobile accident several weeks ago and recently had undergone an eye operation. He went with Metropolitan in 1925 and since had been concerned with highway safety programs.

CHARLES J. STERN, 96, a representative of Union Central Life for 53 years and a partner of the late John L. Shuff, former home office general agent, died in Cincinnati. He retired as general agent in 1937. He was president of Cincinnati Life Underwriters Assn. in 1912 and on his 90th birthday became an honorary life member. On his 96th birthday last year, Mr. Stern was presented checks for the proceeds of his whole life policies by W. Howard Cox, president of Union Central. Mr. Stern joined Union Central in 1900.

ROY G. YOUNG, 62, formerly field manager at Alexandria, La., for Manhattan Life, died at his home there. At the time of his death he was owner-manager of an automotive service in Alexandria. He was a Scottish Rite Mason.

Fidelity Life Gains

Fidelity Life of Illinois reports life insurance in force increases to \$66,216,982 for 1952, a gain of \$1,694,490. Total assets rose to \$17,903,037, a gain of \$637,250, while new business for the year amounted to \$5,636,052. Total income was \$2,405,644.

Dewey Signs Salary Bill

Governor Dewey has signed a bill to increase from \$5,000 to \$10,000 the maximum amount that may be paid annually to officers of domestic life companies without board action.

• **Wallace W. Guenther**, manager of the east Los Angeles district of Prudential, is marking his 35th anniversary with the company.

Additional Dividend Action as Announced by Companies						Additional Dividend Action as Announced by Companies					
			Funds Left With Company						Funds Left With Company		
Company	Current Policies	Old Policies	Non-withdrawable	With-drawable	Accum. Div'ds.	Company	Current Policies	Old Policies	Non-withdrawable	With-drawable	Accum. Div'ds.
Berkshire Life ¹	Same as '52	Same as '52	3	3	3	Metropolitan Life ¹	Same as '52	Same as '52	2.75	2.75	2.75
Central Assur. Co.	Same as '52	Same as '52	...	2	2.5, 3&3.5	Mutual Savings, Mo.	Same as '52	Same as '52	2.5	2.5	2.5
Central Standard	(Non-Par)	Same as '52	Pacific National	Same as '52	Same as '52	2.5	2.5	3
Continental Assur.	Same as '52	Same as '52	3	2.5	3	Savings Bank, N. Y. ²	Same as '52	Same as '52	2.75	2.75	2.75
Franklin Life ¹	Same as '52	Same as '52	2.5	2.5	3	Security Mut., Neb. ²	Same as '52	Same as '52	2.5	2	3
George Washington ¹	Same as '52	Same as '52	2.5	2.5	2.5	Service Life ¹	Same as '52	Same as '52	3	3	3
Kentucky Home Mut. ¹	Same as '52	Same as '52	2.5	2.5	3	State Life, Ind. ¹	Revised	Revised	3	3	3
Lutheran Mutual	Same as '52	Same as '52	3.1	3.1	3.1	Union Mutual, Me.	Increased	Increased	3	2.5	3
Loyal Protective	Same as '52	Same as '52	3	3	3	Wisc. State Fund ²	Same as '52	Same as '52	2.5	2.5	2.5
Mass. Mutual ¹	Revised	Revised	3	3	3	Woodmen of World ²	Same as '52	Same as '52	2.5	2.5	2.5

NALU Agents Forum Big Success; Stems Separate Unit Tide

The agents' forum Tuesday evening during the midyear meeting of National Assn. of Life Underwriters at Chicago proved highly successful, so much so that it was the general consensus that it obviated the need for a separate conference of soliciting agents, which some agents have advocated in the past. The sentiment was all for making these forums a regular part of future annual and midyear meetings.

The forum, conducted as an activity of the agents' committee, had Chairman A. Jack Nussbaum, Massachusetts Mutual, Milwaukee, of the agents' committee as presiding officer. He said it had been recommended that each local and state association appoint an agent member to represent it at future forums and that he be instructed by his association to bring up for discussion any subject the association wishes discussed that is pertinent to the agent members. It is the agents' committee's aim to refer for action to the proper committee any matter that is decided on at a forum.

It was brought out in the discussions that there is a need to develop interest among agents in getting into local association activities. It was said that the reason many associations seem to be manager-dominated is that it is hard to get agents to take the time to participate in association affairs.

Jefferson Standard Ups Keys

William B. Keys, formerly manager of Jefferson Standard Life's premium notice division, has been promoted to

planning supervisor in the coordinator's department on his return from air force service. He went with the company in 1948, becoming premium notice division manager six months prior to his recall to the air force in 1951.

Hikes Non-Medical Limits

Occidental Life of California has increased non-medical limits to \$10,000, but will accept no non-medical over age 40.

Equitable Society Names Ryan

Larry Ryan, former Kansas OPS district director and Kansas secretary of state for one term following election in 1943, has joined Equitable Society.

Large Companies Conference Arranged

Approximately 40 chief agency officers of large life insurance companies will gather for the annual conference of the Large Companies committee of L.I.A.M.A. at The Homestead in Hot Springs, Va. April 27-29. T. H. Gooch, vice-president in charge of agencies, Canada Life, chairman of the committee, will preside.

Problems of distribution, organization, manpower, industry trends, distribution costs and similar topics will be discussed.

• **Lloyd D. Brace**, president of First National Bank of Boston, was elected to the board of John Hancock.



Prominent members of the Million Dollar Round Table snapped during the N.A.L.U. midyear meeting at Chicago: from left, John O. Todd, Northwestern Mutual, Chicago; William D. Davidson, Equitable Society, Chicago; C. Lamont Post, Independent, New York City; Walter Hiller, Penn Mutual, Chicago; and W. T. Earls, Mutual Benefit Life, Cincinnati, president.

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MASTERFUL OR MOUSY?

Individual's Concept of Himself Plays Vital Role in Future Success, Says Psychologist

There is probably no concept so important to the future success of an individual in a particular job as his concept of himself, said Fred A. Replogle, partner in the consulting psychologists firm of Rohrer, Hibler & Replogle, Chicago, at the meeting of the General Agents & Managers Conference of N.A.L.U. at Chicago.

"Some individuals are self-derogatory," he said. "Others are self-as-

sertive and bigoted. These are observable facts, but how serious are they? How did the man get the way he is? Why does he assert himself the way he does? What is he trying to cover up or achieve? How would this characteristic affect his functioning on the job? Can he be changed? If so, what would he be like when he is changed? How shall he be changed?" Mr. Replogle said that studying the

individual's concept of himself can lead to uncovering the "basic embryo" of personality, while giving up short of this disclosure often means that months or years later "we discover that the man we employed or promoted is not the man we thought he was." New responsibilities, the variety of experiences, the pressures from within and without, have revealed the kind of person that was actually there "long before we met him in the interview."

Closely related to a man's concept of himself, and increasingly regarded as important, is the man's fundamental life philosophy, said Mr. Replogle. There is probably nothing in an individual's entire behavior pattern so important as "that golden thread which binds together his whole thought and behavior pattern which we call his philosophy." Even though a man may deny he has any operating philosophy of life, the success or failure of many, if not all, men hinges on it.

"Some of the symptoms of immature behavior are an inability within the individual to state in rather clear—even if subjective—terms the reasons that lie behind the motivations of his life," said Mr. Replogle.

These symptoms of immature behavior are often readily visible "red flags" in the panorama of the individual's deeper personality. Among them are inability to endure discomfort; self-interest; display of uncontrollable impulses; and the urgency to achieve immediate but often inconsequential goals.

How an individual reacts to everyday situations is extremely important for the man in sales work, said Mr. Replogle.

"His reactions, his flexibility, his response to situations mean the difference between a successful and unsuccessful salesman," he said. "If the individual is to work in the office with techniques, details, machinery, devising and evolving new and sounder methods of policy development, he needs a different pattern of emotional organization than a salesman, but at the same time he is in constant contact with subordinates, his peers, his superiors. Wherever an individual goes or whatever he does, the level of his emotional maturity and stability is highly important. Probably in no other area do we find the seeds for as much success or failure in individual functioning as in the emotional area."

Mr. Replogle warned against undue reliance on tests. It is possible to test many "isolated specifics" in the make-up of a personality and apply names to them.

"In such a procedure we come up with a mathematical result, beautiful

charts and profiles which are purported to give us a picture of the total individual," he said. "Actually, with only subjective consideration we know we do not have a picture of the entire individual as a totality when we have a profile developed from a mathematical analysis of a few of the segments of personality."

But there are difficulties in testing motivation, drive, purpose, philosophy of life, and many explicit attitudes. An individual's background pattern may tell more about his likelihood of success than a few well devised techniques. The baffling question still constantly is not only "How much ability does this individual have?" but "What kind of ability does he have and how does he use it?" said Mr. Replogle.

Therefore, one of the first considerations in using practical psychology in any form of management is to get an understanding of the individual to be managed. Years of study and research have indicated that there is no substitute for a modicum of inherent ability. The chassis has to be able to take the strain and stress it will be subjected to, Mr. Replogle pointed out. This modicum of ability may be termed intelligence and it can be tested "but we are still short of a judgment unless a very carefully trained professional psychologist is working in the situation to help us discover what kind of intelligence this individual has or how he uses what he does have in the presence of variable and widely complex and confusing situations."

It is not only necessary to know about the individual but about the organization he is to work for, said Mr. Replogle.

"We must have a clearly outlined statement of the policies and principles of the organization in which the individual is to function," he said. "This is a very difficult task and few organizations have as yet gotten their overall objectives, basic assumptions, and goals sufficiently outlined in policy

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Osborne Bethea, Prudential, Newark, N.A.L.U. treasurer, and Judd C. Benson, Union Central, Cincinnati, a past president, shown at the group's Chicago mid-year rally.

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termine with very much specificity
what kind of individuals they are go-
ing to need to carry out these policies
and principles. Until this is done, a
great deal of guesswork will be done
in the selection of individuals for a
particular job."

GAMC Room Hoppers Offer 3 Lists to Help Agents Find Markets

In the room on "Finding the Agent's
Market," at the room-hopping session
of the General Agents & Managers
Conference meeting in Chicago, the
chairman, Judd C. Benson, Union Cen-
tral, Cincinnati, said he asks the re-
cruit to make out three lists: (1)
people who need life insurance and
whom he can call on; (2) people who
need insurance but he feels he can't
call on; and (3) his centers of in-
fluence, some of whom may be on
lists 1 and 2. A center of influence is
defined as "a man who is reasonably
interested in my success and who
knows people with enough earning
power to buy insurance."

The agent is told to prospect among
people with earning power and not
worry about how much money they
have in the bank. Often it is mainly a
matter of showing prospects how to
save money, after which it will seem
logical to put it into life insurance.

Discussing the blue-collar market,
the point was made that people in this
market are likely to feel that with
group insurance and social security
they are pretty well fixed for protec-
tion. Hence a savings plan—an endow-
ment at 65 or paid-up at 65—goes over
the best. It may be necessary to start
off with a \$1,000 or \$1,500 policy, so
as to make a trusted client out of him
who regards the agent as a friend
rather than just someone trying to
separate him from his money.

Mr. Benson checks on the phone with
those whose names a potential agent
gives him as potential prospects. Mr.
Benson notes whether the man seems
to like the candidate and says he would
buy his next \$5,000 from the candidate.
If the reaction is generally good it is
an important indication, because peo-
ple generally buy life insurance from
people they like.

There is also the fact that people are
prone to "wait and see" before tying
up with any new agent. They want to
see whether he is going to stay in the
business.

Appraising prospects, Mr. Benson
figures that insurance buying power is
about twice annual earnings and the
new agent will sell about one in 10.

Ralph Johnson, Jefferson Standard,
Dayton, O., said a lot of supposed
friends will give the new agent the
runaround so maybe it is better for the
new agent to go out and sell strangers.
He has purposely steered some of his
new men away from their natural mar-
kets. Often a new man is embarrassed
at taking his manager in to see his
friends, fearing the manager may use
high pressure. Sometimes an agent will
do better with his natural contacts
after he has achieved more confidence.

It's Mr. Benson's belief that putting
an agent in the right market is more
important than teaching him how to
sell. He said that prospecting should
consume 50% of a good agent's time.

To overcome reluctance in seeing
centers of influence, Mr. Benson
teaches new agents to tell them: "If
you saw a friend in about 20 years with
a check for \$200 a month and he was
going to get one a month for the rest
of his life and you knew you'd had
something to do with his getting it,

wouldn't you feel pretty good? Now,
if you could do that for just one of
your friends, who would it be?"

The average is four prospects. The
same question works effectively when
the agent asks, "Which of your friends
would you feel the worst about if he
were to die tonight without enough
insurance?"

Fla. Offers Tax Incentive

Apparently as a means of inducing
other companies to do what Prudential
is doing in the way of setting up re-
gional offices, a bill has been prepared

for introduction in the Florida legis-
lature and has been signed by 30 sena-
tors to give tax advantages to a foreign
insurer that maintains in Florida a
branch home office for three or more
states. The foreign insurer would be
allowed as an offset against its 2%
premium tax, the taxes paid counties
and municipalities on any building
qualifying as a three-state home of-
fice. This would permit at least a 50%
reduction in the premium tax and a
maximum of 80%, according to Sena-
tor Ripley of Jacksonville, the author.
He said the bill was prepared in the
office of the attorney general with the
full knowledge of Commissioner Lar-

son. He said the increase in consumer
taxes collected because of expanded
payrolls would more than compensate
for any small loss of premium tax.

Ready LAA Southern Card

Plans are under way for the meeting
of southern round table of Life Ad-
vertisers Assn., scheduled for Miami
Beach, April 26-28. R. L. Hindermann,
Pan-American Life, is chairman.

Other speakers already arranged for,
are W. J. Hamrick, vice-president of
Gulf Life; Don Barnes, Institute of Life
Insurance, and Powell Stamper, Na-
tional L. & A.

When Ed hung up his army uniform
he began another *Exciting*
career

says Mrs. E. A. Zipfel,
San Francisco, California



"Army life was one adventure after another for
my husband and me. But in 1950 we left it all
behind when Ed received a medical discharge.
And I can tell you now that we were more than
a little worried at the prospect of picking up loose
ends and beginning life anew as civilians. What
of the comfortable income to which we had
always been accustomed—would we have it in the
future?"

"Ed, of course, had a fine military record—thirty
years with the Army, 14 of which had been ac-
tive. He saw service in three wars, too—Mexican
campaign, World War I and World War II. But
when he was retired from Active Service with the
rank of Colonel in November, 1950, he was 52
years old. In civilian life—in much of the business
world—he was classified as an 'old man.' And who
was going to hire an old man to perform anything
except menial duties?"

"We found the answer to that grave question
when Ed stopped in at the San Francisco office
of Minnesota Mutual. He went in to discuss a dis-
ability claim and came out with a brand new
career as a life insurance salesman."

"Carl Johanson, General Agent in the San Fran-
cisco office, convinced Ed that age is a relatively

unimportant factor in the life insurance business.
He showed my husband, too, how the degree of
a life insurance salesman's success is determined
for the most part, by his willingness to work—
aided, naturally, by some measure of ability.

"The uncertainty of entering a new field . . . of
promoting and selling a new product presented
no problem either. Perhaps the reason for this
was the substantial life insurance program we
have always carried. We were 'sold' on it our-
selves. And that, of course, is the basic require-
ment that every salesman must possess. 'If you
can buy it, you can sell it.' Minnesota Mutual's
splendid policy plans and modern sales tools have
also done much to make selling a pleasure and
put my husband on the civilian road to success.

"As I look back upon the past two years, I find
that we have scarcely noticed the transition from
military to civilian life. Our standard of living
remains as comfortable as ever. Ed is both happy
and successful in his work. In fact, all the Zipfels
—including our daughter, Mrs. Jo Anne A. Stew-
art, and our son, Jack—consider themselves
lucky to be numbered among the Minnesota
Mutual family."

This letter written by the
wife of a Minnesota Mutu-
al salesman, is published
here as a deserved recog-
nition of the enduring con-
tribution she and her hus-
band are making toward
the continuing growth and
progress of the Company.

With Minnesota Mutual since 1950, E. A. Zipfel has already earned
many honors within that short space of time. One of the leading Ordinary
Producers for 1952, he paid for \$648,271 in business in that year. Colonel
Zipfel is also a frequent member of the Company's Fifty Club, which
limits membership to salesmen producing at least \$50,000 Examined Busi-
ness during any month. The high quality of the business he has written
has earned membership for him in the Company's "M" Club, his renewal
ratio being 95.9.

Even the Zipfel's little dachshund, Keska,
acquired while Colonel Zipfel was sta-
tioned at Stuttgart, Germany, has become
an enthusiastic Minnesota Mutualite. He
accompanies Colonel Zipfel on all his
calls, guarding the car while his master
is interviewing prospects.



THE MINNESOTA MUTUAL
LIFE INSURANCE COMPANY

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Established 1880

NALU Gets Special Award from American Heritage Foundation

The constructive influence of life insurance agents in their respective communities and their interest in civic betterment were given public recognition during the national council session at the National Assn. of Life Underwriters mid-year meeting when N.A.L.U. received a special award from the American Heritage Foundation for the part played by members in the foundation's "get-out-the-vote" drive, called by many instrumental in the vote of 62,042,077 during the last presidential election, largest in history.

Dale Cox, public relations director of International Harvester, made the presentation to President David B. Fluegelman of N.A.L.U.

Said Mr. Cox in making the presentation: "After examining reports and documentary evidence submitted by more than 15,000 entries, the foundation's awards committee, under the chairmanship of Charles E. Wilson, formerly of the General Electric Co., unanimously decided to grant a special award to the National Assn. of Life Underwriters for the most thorough and creative internal educational project resulting in an intensive and highly effective customer relations program by a national association in support of the national non-partisan register and vote campaign."

N.A.L.U. members pledged themselves during the three weeks before the November elections to ask each client and prospect on whom they called to register and vote. In addition, many local and state associations un-

dertook special projects in connection with the drive. The foundation scroll was designed by the noted artist, Arthur Szyk, and executed by the National Lithographers Assn.

Kalmbach Sees Healthy Economic Outlook Near

President Leland J. Kalmbach of Massachusetts Mutual Life told the annual meeting of company policyholders that he expects favorable economic conditions in "the years immediately ahead", in spite of "occasional mild readjustment periods".

Mr. Kalmbach emphasized new economic stabilizers and a growing population among the chief factors helping to maintain a favorable level of business activity.

He cited the tremendous sums being paid under social security and private pension plans, unemployment insurance, and federal deposit insurance. He added that personal savings are at an all-time high, while the confidence of the American people is at a favorable level.

He also pointed out that in "the long run we can expect business activity to vary directly with the degree of confidence that our citizens have in our business and political leaders".

N.Y.C. C.L.U.'s Hear V.P.

John Barker, Jr. vice-president and general counsel of New England Mutual Life will discuss "Planning a Life Underwriter's Personal Estate" at the April 22 meeting of New York City C.L.U.'s.

• Associates of State Mutual Life are protected by a group travel accident policy while travelling at company expense.



Discussing L.U.T.C. at the N.A.L.U. Chicago mid-year are Levi E. Bottens, director of administration of L.U.T.C.; B. Carl Wharton, general agent for Fidelity Mutual Life at Philadelphia, and Loran E. Powell, director of promotion for L.U.T.C.

GAMC Chicago Rally Attracts 200 Managers

(CONTINUED FROM PAGE 6)

program should be such that the agent's progress is apparent to him as he goes along. This helps him develop a realization of accomplishment.

In Mr. Casdorff's operation, the actual training program is instituted by the manager and carried out by the assistant managers. A principal objective is to create a "success atmosphere" in the agency, mainly by selling the agents on the training factors involved. The "success atmosphere", or morale of the agency force, is dependent on a proper evaluation of production potential, according to Mr. Casdorff. While impossible goals should not be established, still objectives should be high enough to challenge the agent's sense of accomplishment and to stimulate his imagination. There should be enough flexibility in the program so that advantage can be taken of unusual market situations, such as stress on business life insurance when prospects in that field are particularly good, or stress on social security when a change has been made that could be incorporated into a sales presentation.

While Mr. Casdorff favors making any program as individualistic as possible, he said when there is a group of agents advanced to about the same stage often it is more beneficial to set up small training programs for groups of five or six agents. Besides assuring a more steady volume of business, such group training instills a healthy spirit of competition and gives the manager an opportunity effectively to solve particular production problems by stressing certain coverages. The agent, too, benefits because he experiences a concentrated period of accomplishing certain objectives, benefits from exchange of ideas with others in the group, and perfects his own sales procedures by demonstrating in the presence of others.

Pan-American Names Barnes



C. Raymond Barnes

Pan-American Life has named C. Raymond Barnes general agent at Corpus Christi, Tex., and surrounding territories. An army veteran, Mr. Barnes started in insurance as an agent for Prudential and later served that company as a division manager.

• Benjamin F. Pepper, president of Pennroad Corp., and Harrie T. Shea of Bear Stearns & Co., have been elected trustees of Postal Life.

Shows How to Cut Taxes by Extending Split-Income Plan

NEW YORK—Having a wife is not the only way of saving taxes through income splitting, the March issue of *Estate Planners' Quarterly* points out in a presentation for clients of the intermediate and advanced life agent. It is possible to cut income taxes by splitting income with children, brothers, sisters and other members of the family. In fact, this is the only way for widows, widowers, bachelors and spinsters to take advantage of the income-splitting plan.

The presentation is published in cooperation with Leon Gold, chairman of the Research Institute of America's federal tax department. Income taxes can be cut by splitting income with other members of the family as well as the spouse, provided that it is practical and advisable to place in trust for 10 years or more the property that produces the transferred income.

Such temporary gifts in trust, besides achieving considerable tax savings, allow the estate owner great flexibility. He can get his property back at the end of the trust period; he may keep the right to change trustees in case the property management turns out to be unsound; he may even name himself as trustee as long as the trust is administered purely in the interest of the beneficiaries; he may, under certain conditions, manage the trust property himself, directing the investment of trust funds and voting stock held by the trust; he may change the amount going to each beneficiary, or even the beneficiaries themselves, subject to certain restrictions; and can even let the trust accumulate as income for later distribution to the beneficiaries, while keeping the personal tax advantage for the duration of the trust period.

"If a temporary gift in trust is practical and advisable for a client," the *Quarterly* suggests, "the estate planner can show that the spendable income released in this manner will be available for the purchase of life insurance. Then, when period of the trust is ended, the client or his estate will again receive the trust property undiminished and the family's assets will have been increased by at least the amount of the insurance purchased."

The *Quarterly* is published at \$10 a year by Farnsworth Publishing Co., 11 West Prospect avenue, Mt. Vernon, N. Y.

Hunter Agency Honored

The J. Allan Hunter agency for Monarch Life at Pittsfield, Mass., was awarded the company's President's Cup for 1952 production. As a result, Mr. Hunter becomes chairman of the company's General Agents Advisory Council.

ATLANTIC PROGRESS REPORT NO. 1

Insurance in Force UP 119%

This is the proud record of Atlantic Life's growing acceptance in the past ten years

Total insurance in force for Atlantic Life now exceeds \$300,000,000. This represents a new milestone in the history of a 53-year-old company which has a long record of continued expansion of its services to the insuring public.

At the beginning of 1943, insurance in force was \$137,000,000. The growing acceptance of the high quality protection offered by Atlantic Life has resulted in an increase of 119% in the "in force" figures in just ten years!

Whatever the life protection need of the individual is, Atlantic has a sound and favorable contract to meet it.

ATLANTIC LIFE
INSURANCE COMPANY

HOME OFFICE: Richmond, Virginia

More than a Half-Century of Service

300 Attend K. C. Sales Congress

Some 300 attended the Kansas City Life Underwriters Assn. sales congress. Grant Taggart, California-Western States Life, Cowley, Wyo., the luncheon speaker, warned his listeners never to overlook any opportunity to make a sale, mentioning several sales that agents had missed because they failed to follow up a lead, only to have another agent come in and write the business.

Mr. Taggart, a past-president of N.A.L.U., stressed the spiritual rewards of selling life insurance and asked his audience not to count the returns in dollars alone.

J. T. Dockery, Equitable of Iowa, Davenport, Ia., discussed the need for organizing one's time and effort to attain success.

Otto O. Schnellbacher, manager at Topeka for American United, talked on the rejuvenation of enthusiasm and gave several methods of keeping enthusiasm alive.

George J. Planz III, manager Union Central, Des Moines, discussed today's life insurance market and gave several tips on how to approach it.

Besides Mr. Taggart, there were two other past presidents of N.A.L.U. on hand—Charles C. Cleeton, Occidental of California, Los Angeles, and Herbert Hedges, Equitable of Iowa, Kansas City. William Smith, Penn Mutual, was sales congress chairman.

Woodmen Circle President Has Wide Experience

Clara B. Cassidy, who was elected president of Supreme Forest Woodmen Circle at a special national convention at St. Louis, had been 1st vice-president and active in the organization since 1912. She was named state deputy for Georgia in 1917, state manager in 1920 and in 1927 she was given the additional title of Tennessee manager.



Clara B. Cassidy

After serving in various national positions, Mrs. Cassidy became national secretary in 1943 and 1st vice-president and educational director two years ago. She was one of the first to win the Fraternal Insurance Counselor designation.

Active in National Fraternal Congress, she has been president of the secretaries section as well as chairman of important committees.

Push C.L.U. Prestige Drive

American College of Life Underwriters and American Society C.L.U. are in the midst of a drive to promote the C.L.U. professional concept. More than 250 C.L.U.'s are participating in the push through April.

Prudential to Enlarge Board

The New Jersey Senate voted unanimously to permit Prudential to increase its board membership by six public members, to be appointed by the chief justice of the state supreme court. The measure previously had passed the state assembly by a vote of 70 to 40.

National Bankers Dallas Rally

National Bankers Life held its annual conference at Dallas. Pierce P. Brooks, president, welcomed the group, and the agenda included discussions relating to home office and field operations, and meetings with department heads.

Rosenthal Agency Best in '52 for General American

The Adam Rosenthal agency of General American Life at St. Louis has been awarded the President's Million Dollar Cup for 1952. The award, signifying the company's best agency for the year, was formally presented at a dinner given by President and Mrs. Powell B. McHaney.

The Rosenthal agency, organized in 1947, has led the company in paid ordinary production for each of the past

four years. In 1952 its paid volume increased more than 40%.

In addition, the Agency Achievement Cup was won by the J. Harold Sharpe agency at Fort Worth, Tex.; life volume leader award by Elmer S. Rosenthal, St. Louis; A. & H. premiums leader, Fred R. Sale, St. Louis; group volume leader, George A. Halpin, East St. Louis, and recruit of the year, Isadore Lebowitz, Washington, D. C.

Bacon, Hartman & Vollbrecht, Inc. of St. Augustine and Jacksonville has been named by Calkins & Holden, Car-

lock, McClinton & Smith as its representative agency to handle advertising for the south-central home office of Prudential.

Allison S. Beebe, vice-president and manager of the group department of Paul Revere Life, addressed a luncheon meeting of the Columbus Assn. of A.&H. Underwriters.

The New York-Oshin agency for Home Life of New York led all company agencies in March production with \$1,880,880 in new business.

HIS
FUTURE
IS
YOUR
BUSINESS



Norman
Rau: I've!!

His head start for success depends largely upon the money that will be needed for his education — grade school, high school, and college — regardless of whether his father lives to see him through.

He will probably be burdened by high taxes and living costs, and have no practical way, apart from life insurance, of creating an estate to provide adequate income for his family in the event of his untimely death.

Today is the best time to plan for his future. It's the time to start the foundation of assured dollars on which he can build his success. It's a good time for his father to learn about the Massachusetts Mutual's popular *Endowed Educational Security* and *Progressive Juvenile* plans.

For full information on these plans, see our general agent in your community.

Massachusetts Mutual

ORGANIZED 1851

LIFE INSURANCE COMPANY
SPRINGFIELD, MASSACHUSETTS

Reinsurance

Mr. Actuary:

Our service extends to each feature of Accident & Health covers and the Casualty features of Life policies wherein Reinsurance is commonly used.

We invite your inquiry.

Employers Reinsurance Corporation

KANSAS CITY
NEW YORK CHICAGO SAN FRANCISCO LOS ANGELES

FIDELITY

A WELL-BALANCED COMPANY



Balance Speeds Progress.

The better the balance...

the easier the progress.

Fidelity is
a well-balanced company.



75th
Anniversary
1878 - 1953

**The
FIDELITY MUTUAL
LIFE INSURANCE COMPANY**

THE PARKWAY AT FAIRMOUNT AVENUE
PHILADELPHIA • PENNSYLVANIA

Up-to-Date Manual Seen An Aid to Recruiting

(CONTINUED FROM PAGE 8)

The agency thus supplements the work of the company's advertising department, augments its staff with its own employees, gives fresh ideas to the advertising department, assists the department with its peak loads and brings a broad viewpoint to the advertising problems of the company, he said.

H. M. Winton, director of personnel and training of the industrial rubber division of U. S. Rubber Co., said that the goal of sales contests and campaigns should be to obtain volume which would be additional to regular sales. Each contest should have realistic and obtainable goals and contests should not replace supervision and training as a means of bolstering sales. Only special goals should be sought in a contest, which should be designed so that every salesman has an equal chance to win.

Joseph M. McCarthy, director of pub-

lic relations of Union Labor Life, was moderator of the publicity round table; Richard I. Miller, director of sales promotion of Union Mutual, of the advertising agency as a supplementary department round table; Gordon Hull, director of sales services of Mutual Benefit Life, of the sales campaigns and contests round table, and Kenneth L. Brooks, associate director of sales promotion of Prudential, of the life advertiser's place in recruiting round table.

C. Russell Noyes, Phoenix Mutual, Hess T. Sears, Equitable of Iowa, and Donald F. Barnes, Institute of Life Insurance, participated in a policyholders' relations round table discussion.

Frederick J. Kiefner, eastern round table chairman, welcomed the participants at the opening luncheon. David W. Tibbott, New England Mutual, president of L.A.A., and Milton J. Goldberg, Equitable Society, spoke at the luncheon. Speaker at the closing luncheon was Henry Obermeyer, vice-president of Bozell & Jacobs, New York City.



Committee members at the New York City meeting of the Eastern Round Table of Life Advertisers Assn. are, from left, John M. K. Abbott, executive assistant New York Life; Gordon Hull, sales service manager Mutual Benefit Life; Warren F. Reuber, assistant editor Connecticut Mutual; Joseph M. McCarthy, director of public relations Union Labor Life; Frederick J. Kiefner, advertising and publications manager Provident Mutual; Kenneth L. Brooks, assistant director of sales promotion Prudential; Arthur F. Sisson, publicity director State Mutual Life; Russell V. Vernet, director of advertising Mutual Life of New York.

Would Merge Pa. Dept., Cut Its Appropriation

HARRISBURG—Legislation to abolish the Pennsylvania insurance department and merge its functions with a proposed department of financial institutions has been introduced in the legislature.

Said to be foredoomed to defeat in the senate, the proposal would put into effect part of the "little Hoover" state reorganization and economy plan, which was endorsed generally by Gov. John S. Fine but has taken a beating at the hands of the governor's Republican leaders in the legislature.

The biennial legislative allocation for administration of the department may be cut from \$1,500,000 recommended by Gov. Fine to \$1,350,000 in a legislative economy move.

Republican leaders in both branches of the assembly proposed the 10% appropriation cut after the slim GOP majority in the house failed to muster enough votes to pass a new sales tax as a revenue-raiser.

Joint Meeting at L. A.

Speaker for a joint meeting of Los Angeles Life Managers Assn. and the life insurance committee of Los Angeles Chamber of Commerce was William J. Miller, chamber membership director.

Guest of honor was Fred C. Hathaway, retired manager of Mutual Life, who initiated the movement to have a life committee organized as part of the chamber's activities.

Mr. Hathaway described the story of the successful battle waged in those early days to eliminate twisting.

Executive to Take Acting Roles at Life of Ga. Meet

Life of Georgia executives and agency officials will assume actors' roles at the Life of Georgia convention in Daytona Beach, Fla., the last of April. Some 1,000 agents, field managers and wives will be treated to a two-hour presentation of "Billion Bound", a play aimed at stimulating a drive for a billion insurance in force before the end of the year.

I. M. Sheffield, Jr., chairman; R. Howard Dobbs, Jr., president; Cody Laird, executive vice-president; George Sheffield, secretary; and H. C. Jackson, agency vice-president, top the cast of 28 now rehearsing.

The play depicts various activities in the home office, a meeting of territorial agency officials, a discussion by the agency committee, a training department sequence, a heated underwriting session, and a meeting of the company's executive committee. Designed to give agents an idea of how the home office works, it replaces the traditional speeches.

Only formal speech will be by Dr. Kenneth McFarland, Topeka, Kan., educator.

Complete Sales Course

Jefferson Standard Life has completed a home office sales school for 39 agents at Greensboro, N. C.

Topics covered included life fundamentals, life insurance as a property, sales principles, prospecting, and coordination of income from life insurance with social security benefits.

Rally For Shenandoah Leaders

About 100 leading Shenandoah Life agents attended an agency convention at St. Louis.

Baltimore, Washington Sales Congress Has Strong Speakers Card

A galaxy of life insurance sales experts expounded their ideas at the annual sales congress sponsored at Baltimore by Baltimore and Washington Assns. of Life Underwriters.

Speakers were Stuart A. Monroe, director of field supervision for Mutual Benefit Life; Louis Pohl, manager of Life of Virginia at Pontiac, Mich.; Samuel L. Zeigen, general agent of Provident Mutual Life at New York City; Harry C. Copeland, Jr., general agent of Massachusetts Mutual Life at Syracuse, N. Y., and Lester O. Schriver, general agent of Aetna Life at Peoria, Ill.

Mr. Monroe observed that following cultivation of the fortitude necessary to prospect and sell life insurance, the agent must develop a determination to invest enough time to acquire a knowledge of the business.

He advised making sales presentations as simple as possible, using language that the prospect understands. Actually, he noted, ideas are what the prospect will buy and that is the approach the agent must take.

In business insurance selling, Mr. Monroe advised against talking life insurance at the start. Chances of a sale are better where the agent talks about the prospect's business and some of the problems he faces.

Mr. Pohl, talking on "It Takes Time" to be a success in the business, recommended active membership in insurance organizations, positive steps toward improving sales technique through use of prepared talks and visual aids, and the development of a positive attitude as ways of bringing the success closer.

A salesman's business is making people want things, Mr. Schriver stated. Few purchases are made through logic or reason alone, but rather because of some forceful influence exerted by the salesman. The agent who makes it his purpose to solve the other man's problem to that other man's profit will gain an insurance client, he stressed.

Cameron Tells Insurance Impact on Nat'l Economy

The more than \$4 million life companies paid out in benefits in 1952—over half to living policyowners—shows the tremendous impact life insurance has had upon the social and economic aspects of family life in America, declared William J. Cameron, president of the Home Life of New York, at the company's field conference at the Bellevue-Biltmore hotel in Florida.

Mr. Cameron noted that dollars people pay to life insurers are invested all over the country where they stimulate the growth and development of the economy. Life insurance now extends its services to all segments of the American people through individual needs, he said.

Mr. Cameron pointed out that life insurance has helped to make the nation health conscious by being responsible for more than eight million health examinations annually. He observed that life insurance has proved to be a builder of character through promoting thrift.

ILO Deals Get Fishy Eye

WASHINGTON—Herman Phleger, state department legal adviser, told a Senate judiciary committee considering proposals to safeguard U. S. constitutional rights with relation to treaties, that his department has had

no consultation with International Labor Org. on its numerous conventions dealing with a wide range of subjects, including the convention for minimum standards of social security, which provides for compulsory health insurance.

Phleger said the ILO social security convention probably will be sent to Congress on an "information only" basis, and not as a proposed treaty recommended for ratification.

American businessmen and medical interests are opposed to that convention.

Riechers New Paul Revere General Agent at Fresno

B. Frederic Riechers, Jr., has been named general agent at Fresno, Cal., for Paul Revere Life. He has been with the company for two years as a field supervisor in the western territory.

Mr. Riechers entered the business in 1947 with Pacific Mutual Life.

Mutual Benefit Adopts Rider

Mutual Benefit Life has adopted an additional death benefit rider that provides coverage for deaths resulting from accidental bodily injuries.

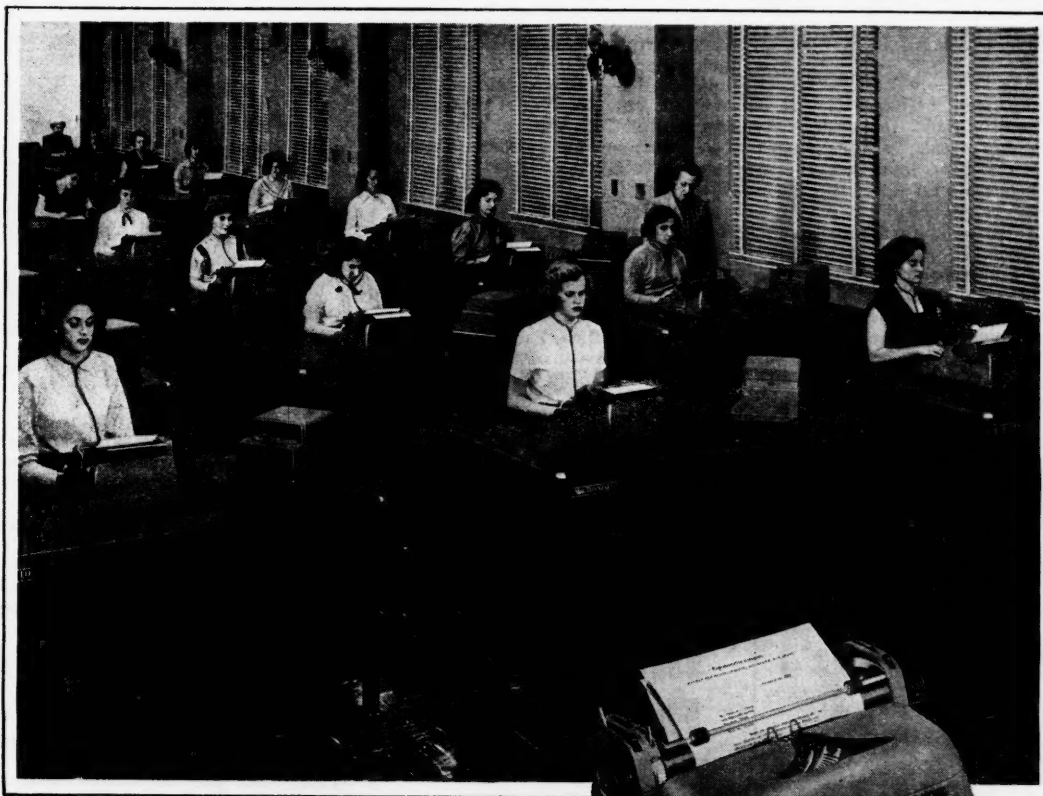
The rider is available for all policy forms, except single premium, on both medical and non-medical basis, and with standard and special class policies for ages 15-55. Maximum issue is \$50,000.

Jones New General Agent

Northwestern Mutual Life has appointed H. Neal Jones general agent at Traverse City, Mich., succeeding the late Winslow S. Burnette.

Mr. Jones joined the company at Grand Rapids, Mich., in 1940, and transferred to Traverse City in 1946. He is a veteran.

New Typewriter Policy at Crum & Forster



Crum & Forster of New York have insured the efficient operation of their stenographic department, shown above, by standardizing on IBM Electric Typewriters. They chose IBM's because tests proved them a great deal faster, and the girls found them so much easier to operate. We'd be glad to demonstrate how IBM Electrics can save time, energy, and money for *your* business, too.

IBM

Electric Typewriters

INTERNATIONAL BUSINESS MACHINES

IBM, Dept. NL-1
590 Madison Ave., New York 22, N. Y.

☐ I'd like to see the IBM Electric Typewriter.

☐ Please send brochure.

Name _____

Company _____

Address _____

City _____ State _____

Woodson Resignation Is N.A.L.U. Mid-year Surprise

(CONTINUED FROM PAGE 1)

connection—that I cannot in logic or reason fail to accept it.”

President David B. Fluegelman of N.A.L.U. expressed deep regret at Mr. Woodson's resignation and paid tribute to his fine service to the association. Mr. Fluegelman designated the executive committee to find an “appropriate successor” to Mr. Woodson.

The other big topic of conversation, the location of the projected headquarters building, was still uncrystallized at press-time, for the trustees had set Friday as the day of final deliberation. With only \$30,000 to go toward the \$300,000 goal, the trustees could at least scratch off their agenda sheets any question of whether there'd be enough coin in the kitty to see the project through, thanks to the leadership of Charles E. Cleeton, Occidental of California, Los Angeles, immediate past president of N.A.L.U.

Appearing at the invitation of President Fluegelman, Manager Gerald A. Eubank of Prudential, New York City, presented his ideas to the trustees Monday for getting more general insurance brokers who write life insurance interested in joining N.A.L.U.

This project was the outgrowth of some questions Mr. Eubank raised several months ago about the attitude of N.A.L.U. and Mr. Fluegelman toward brokers, these questions being based on references to brokers that Mr. Fluegelman made in talks at the 1952 annual meetings of L.I.A.M.A. and Life Insurance Assn. of America.

In view of previous publicity which

had been given this matter, insurance trade press editors were permitted to sit in on this part of the trustees' meeting. No fireworks developed. Mr. Eubank presented his recommendations in a constructive way, remarking that if any who knew him as a vigorous fighter for causes he believes in were surprised at the mild tone of his presentation, it was because once he had been assured of a hearing for his point of view, he preferred to proceed in a deliberative rather than a combative way.

He urged that N.A.L.U. strive to interest the thousands of brokers in becoming N.A.L.U. members, and suggested a system of reciprocal memberships with the National Assn. of Insurance Brokers. He opined that such a move would bring in many brokers, giving N.A.L.U. added income with which to carry out its work. His suggestions were referred to the functions and activities committee.

The 1955 national convention, originally scheduled for Dallas, will not be held there, because the new Statler hotel will not be constructed in time. Without the new hotel it would not be possible to provide adequate accommodations for so large a convention as N.A.L.U.'s.

Robert Gilmore, Jr., Mutual Benefit Life, Bridgeport, Conn., reported as secretary that N.A.L.U. now has 593 member associations as against 587 last September, this being the result of electing 10 new associations Tuesday and the disbanding of four local groups.

Osborne Bethea, Prudential, Newark, reported as treasurer that N.A.L.U. has operated within its budget for the first eight months of the fiscal year. He pointed out that this means merely

At the N.A.L.U. mid-year meeting in Chicago: Lloyd Feder, Lincoln National, Cleveland; H. Cochran Fisher, Aetna Life, Washington, D. C., and Winston Emerick, New England Mutual, Johnstown, Pa., N. A. L. U. trustee.



operating within the \$10,000 deficit contemplated when the budget was adopted as the alternative to drastically cutting N.A.L.U.'s standard of service. Income will work out to a little less than \$360,000 and expenditures to a little more than \$369,000. Indirect expenses of the memorial building fund campaign have had considerable effect on the budget, possibly as much as the entire deficit but “how better could N.A.L.U. spend a few thousand dollars than to do this work for the building fund?” Mr. Bethea asked.

Mr. Bethea explained that in the past the accounting methods used showed profits from Life Association News that should not have been so allocated. A more realistic basis is now being used.

Contrary to custom, the national council on Tuesday and Wednesday took up the committee reports before the trustees had scrutinized them or the committees themselves had discussed them in their meetings, which were held Wednesday afternoon.

The procedure was for the national council to endorse the reports as given in the printed form and supplied in advance to council members, or to suggest amendments, changes, or deletions. Most of these reports are summarized elsewhere in this issue.

Reporting as chairman of the special A. & H. committee, William E. North, New York Life, Chicago, expressed the hope that the committee would be made a standing committee for the sake of achieving its long-range objectives. President Fluegelman said this had already been endorsed at the annual meeting last September and a by-laws change will be voted on at the annual meeting in August.

Judd Benson, Union Central manager at Cincinnati, brought up the question of needed legislation mentioned in the report. He wondered whether the expense and time that would be involved should be undertaken without additional discussion, since this work would be implicit in making the committee a standing committee.

The report was endorsed by the council without change.

L. J. Grayson, Travelers, Washington, D. C., reported as chairman of the servicemen's and veterans' committee that there is much pressure to reinstate NSLI. N.A.L.U. is never going to be able to materially affect the course of legislation until it has adequate representation at Washington, which means a full-time representative there. Otherwise all the association can do is stand on the sidelines and see unfavorable legislation enacted that might have been killed or softened. He said

those who may want to oppose a \$2 dues increase might bear this in mind. Mr. Grayson paid high tribute to Eugene M. Thore, general counsel of Life Insurance Assn. of America, for the cooperation he has given N.A.L.U. in its Washington work.

A. Jack Nussbaum, Massachusetts Mutual, Milwaukee, confined the discussion of his report to urging all agents to attend the agents' forum scheduled for Tuesday evening.

The membership committee didn't make its “\$4,040 or Bust” goal by the mid-year meeting but nevertheless membership stands at more than 48,000, an increase of more than 3,000 over the top previous figure for this date.

Mitchell M. Rosser, Phoenix Mutual, Boston, membership chairman, predicted that a new record would be set by the time of the annual meeting in August. He announced that the membership section of the leadership manual was ready for local association members to take home with them.

Reporting for the N.A.L.U. memorial building fund committee, of which he is chairman, Charles E. Cleeton, Occidental of California, Los Angeles, immediate past president of N.A.L.U., said that \$270,000 has been raised, leaving only \$30,000 to go for the \$300,000 goal. The \$270,000 includes \$232,000 in cash and Treasury notes and \$38,000 in pledges from “charter builders” who have pledged \$100 or more. The number of charter builders is 393 short of the goal of 2,250, or less than one per local association. Mr. Cleeton said that if every association would come up with at least one charter builder the \$300,000 goal would be reached automatically.

Ralph G. Engelsman, Penn Mutual, New York City, program chairman for the annual convention, said this year's meeting would not be a sales congress but instead nine speakers from outside the life insurance business will talk on the convention theme, “American Life Insurance and American Life.”

These prominent speakers will be from government, teaching and newspaper publishing, and will include a radio sports announcer, a medical leader, a labor leader, and a prominent industrialist.

Besides the Million Dollar Round Table and American College hours there will be a presentation of “Star Dust,” a play by Laflin Jones of Northwestern Mutual that was a big hit at the 1952 Million Dollar Round Table meeting.

To allow more time for national council deliberations, President Fluegelman announced that two full days

Guardian's

Disability Income Provision

\$10 per month per \$1,000 insurance—offers peace-of-mind protection against the living death of total and permanent disability. This is just one of many attractive features which puts the GUARDIAN Field Man in a preferred sales position.



For full details, please call
your nearest Guardian office.

LIFE-ACCIDENT AND HEALTH

The **GUARDIAN**
Life Insurance Company
OF AMERICA

FIFTY UNION SQUARE NEW YORK 3, N. Y.

OVER A BILLION DOLLARS INSURANCE IN FORCE

will be devoted to sessions of the national council at the annual meeting.

Spencer L. McCarty, Provident Mutual, Albany, executive secretary of the New York state association, reported as chairman of the compensation committee. He dealt entirely with section 213, the well-known expense limitation section of the New York insurance law, amendments to which were just signed by Gov. Dewey.

Answering a question as to what the changes will do for the agent, Mr. McCarty explained the increases in take-home pay and security benefits. He also pointed out that with some \$7 million a year released by other amendments enacted this year, some of this should find its way to the agents in the form of improved working conditions, more office help, and other aids to production.

Robert L. Walker, Peninsular Life, Orlando, said the associations committee, of which he is chairman, had recommended to the by-laws committee that the membership year run from whenever a new member happens to join. Thus, eventually there would be no peak load of handling renewals as now. At present the membership year coincides with the calendar year.

However, Philadelphia, Detroit, and Chicago objected to the proposed change.

Explaining how the system would work, Managing Director Woodson said the Canadian association changed to its 17 years ago and recommended it highly.

W. T. Earls, Mutual Benefit Life, Cincinnati, Million Dollar Round Table chairman, asked that the effect on validating M.D.R.T. qualifications be considered before adopting the change.

One council member pointed out that it would be more difficult for local association membership chairmen if the change were made, since it would mean a continuing instead of a concentrated drive for members.

The council voted to endorse the present calendar-year basis, thus placing itself in opposition to the sentiment expressed the previous day by the board of trustees.

The council also endorsed a suggestion by J. W. Smither, Union Central, New Orleans, that provision be made in the by-laws for a women's auxiliary in N.A.L.U. Such a unit has just been formed in the New Orleans association.

The report of the federal law and legislation committee, Gerard S. Brown, Penn Mutual, Chicago, chairman, was adopted without amendment.

Newell Day, Equitable of Iowa, Davenport, described the building up of a tape-recording library at national headquarters for the use of local associations and for agencies to use at agency meetings.

He suggested that the speakers bu-

reau committee, of which he is chairman, be merged with the associations committee. This was not in the printed report. It was unanimously endorsed by the council, which then adopted the report amended to contain the merger provision.

Reporting as chairman of the group committee, Secretary Gilmore expressed gratification at the solution of a statutory per-life limit on group term through conference between N.A.L.U., American Life Convention, and Life Insurance Assn. of America.

John D. Moynahan, Metropolitan Life, Chicago, a past president of N.A.L.U., offered an amendment putting N.A.L.U. on record against dependents' group life coverage. However, Merle G. Summers, New England Mutual, Boston, warned against trying to tell the public what kind of insurance it ought to have. He predicted any opposition would be brushed aside by unions.

Charles McAllister, New England Mutual, president of the New York City association, felt it would be better to throw the question back to the committee for further study, his view being that there is a strong possibility of there being a real need for group life coverage for dependents. He felt it might be best to support it within specified limits.

Joshua B. Glasser, Continental Assurance, Chicago, said the usual limits in states where dependents group benefits are permitted are only \$1,000 for the spouse and \$500 each for children, amounting to only \$10 or \$11 a year in premiums. He said it was a "sad day" if an amount of that size is standing in the way of any agent's opportunity. He opined that if dependents' coverage is good in the hospitalization field it is good in the life field.

Ralph Engelsman, Penn Mutual, New York City, also opposed taking a stand against dependents group life. He said "our job is to serve the public" and warned that if the life companies don't take care of the public's needs there is danger that the government will step in. It would be a great mistake to adopt any statement without further study, he said.

Oren Pritchard, Union Central, Indianapolis, state law and legislation chairman, said there are reasons why "some people" would like to see N.A.L.U. delay action for several weeks, because in some legislatures there are pending bills that won't come out of committee for several weeks.

Paul Conway, John Hancock, Syracuse, said he believed N.A.L.U. would make no mistake in taking a firm position in opposition to dependent group coverage.

James Bettis, Berkshire Life, Indianapolis, warned that present limits are "only a starter." He contrasted present

group life limits with the amounts of coverage originally written under group policies.

The vote to recommend opposition to group dependent coverage was decisive, though a voice vote was not conclusive and President Fluegelman had to call for a show of hands.

The national council, after considerable lively debate, voted opposition to the women underwriters' committee plan to disband. Mrs. Minna Hensley, Franklin Life, Salina, Kan., is chairman.

The report of the committee on relations with attorneys, headed by John C. Kellam, National of Vermont, New Canaan, Conn., was endorsed as presented.

Following eloquent explanation by Treasurer Osborne Bethea of the need for the proposed \$2 increase in national dues, there was considerable debate on the plan. Mr. Bethea explained that increasing the number of members is not the answer since only about 59% of N.A.L.U.'s income is from dues and the association puts out more money in behalf of members than it receives in dues.

The Arkansas, Detroit and Michigan associations are against the increase. Wisconsin is for whatever action is taken by the trustees. Baltimore is for the increase. Philadelphia is "open-minded" but wants plenty of ammunition to sell the idea to its members. New York City is against it unless it is made very clear that all other possible alternative measures to increase income have been considered and found unworkable. Charlotte, N. C., is for the increase.

Managing Director Woodson said a brochure will be issued in time for local associations' May board meetings

so that the matter can be discussed by local boards with all the information before them.

Judd Benson, Union Central, Cincinnati, stressed the need for added dues so that N.A.L.U. can handle its Washington activities without leaning so heavily on the company associations.

Spencer McCarty, Provident Mutual, Albany, executive secretary of the New York State association, and chairman of the N.A.L.U. compensation committee, pointed out that the increase in compensation made possible by the just-signed amendment of Section 213 of the New York law that N.A.L.U. worked for would enable a company to increase the compensation of a \$200,000 producer by \$300 a year.

C. Vivian Anderson, Provident Mutual, Cincinnati, said dues should be at least \$25 a year, divided among local, state, and national associations.

Discussion of the dues increase was purely to exchange information between the trustees and the council, as the matter will not be voted on until the annual meeting at Cleveland in August.

Instead of speeches at the N.A.L.U.-L.U.T.C. luncheon Wednesday, there was a quiz contest, final winner being Past-president Judd C. Benson.

Prudential Agency Switch

Prudential has transferred its agency headquarters for central and western Massachusetts from Lowell to Worcester. William Cohen, former manager at Lowell, moves to Worcester in the switch. More than 100 Worcester well-wishers were on hand for the opening of the new agency at 507 Main street. Branches will be maintained at Lowell and Springfield.

Is there MAGIC in Round Numbers?

Our field men claim there is. They say it's a lot easier to get a man to save \$100 a year than \$93.61. And they're making an excellent case of it with our TRIPLE S PLAN*, offered in even \$100-a-year savings units. Recently one of them—RUSS BLACK of Albert Lea, Minnesota—came up with 13 sales in 15 consecutive calls.

*Endows in 21 years at a substantial profit. But policyowner may treat as deferred investment, or take paid-up life insurance.

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H. P. SKOGLUND, President

J. E. SCHOLEFIELD, Vice-President
Director of Agencies



Three from Denver at the N.A.L.U. midyear in Chicago: Jack Allen, Kansas City Life; Frank Devitt, Capitol Life; and Carleton Bowman, Minnesota Mutual.

CAN YOU TOP THIS?

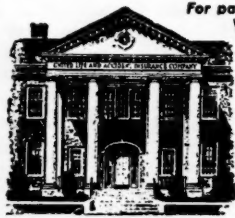
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Accounts of early American settlers show that most of the necessities of life were made right at home.

Today, mass-production and specialization have taken the place of the self-sustaining homes in providing those necessities. In the Southeast, great and small industries alike are turning out clothing, foods, steel, and thousands of other items used daily.

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LIBERTY LIFE
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Home Office
GREENVILLE, SOUTH CAROLINA

FOUNDED 1905

N.A.L.U. Committee Reports Reflect Year of Activity

(CONTINUED FROM PAGE 12)

way conflict with other interests of N.A.L.U.," the report points out.

The disability sales course was tested at Rockford, Ill., by the Rockford association with excellent results. A test seminar on disability was conducted by the LaPorte (Ind.) county association in February and was highly successful. The Indianapolis association in cooperation with I.A.A.H.U. has set up weekly sessions in cooperation with Robert Osler of the Rough Notes Co. Many other similar programs are planned by other associations for the balance of the year.

The committee has served as a clearing house for several local associations with state legislative problems and has helped oppose unfavorable legislation.

The subcommittee on publications, headed by Carl A. Ernst, North American Life & Casualty, St. Paul, commended the *Accident & Health Review*, the *Accident & Health Underwriter*, published by I.A.A.H.U., *Guide to Accident & Sickness Insurance*, published by Rough Notes; and *The How of Accident & Health Underwriting* and *The Third Hazard*, both put out by L.I.A.-M.A. The subcommittee recommended that *Life Association News* devote considerably more space to A. & H. information.

The federal law and legislation subcommittee headed by Walter Gastil, Pacific Mutual, Los Angeles, said that there is a great need to get the hospital, medical, and life insurance people together to work out a plan of paying medical bills of hospital patients and yet permit doctors to retain their independence.

The subcommittee on relations with other organizations headed by Mr. Galloway praised the "splendid working relationship established between N.A.-L.U., I.A.A.H.U. and other associations in the disability field."

Committee on affairs of veterans and servicemen, Louis J. Grayson, Travelers, Washington, D. C., chairman:

An unwarranted duplication of gratuitous death benefits for servicemen exists. The federal government should take prompt action to scale down the over-all benefits to a level that will bear a reasonable relationship to the serviceman's pay and allowances.

Since the Department of Defense is working on this problem it will be wiser to let the department initiate action. If the department does not take action, then N.A.L.U. should.

The gratuitous benefits for surviving dependents of deceased servicemen, aside from discriminating in favor of the dependents of reserve personnel who die while on "peacetime" active duty, are "far out of line."

In addition, if career members of the armed forces below the rank of major are fully informed of their benefits, they are likely to feel little need for commercial insurance. They will probably neither buy insurance nor continue existing policies. Reserve personnel will feel they have even less need for commercial insurance.

Agents selling policies to soldiers should be licensed by the state in which they are selling and the companies the agents represent should be licensed to do business in that state. N.A.L.U. was represented at a recent Washington meeting where these views were made

known. As a result of that meeting, the department is expected to make a decision which should be known shortly after the mid-year meeting.

A superficial study of the bill introduced by Rep. Cole of New York indicates it is a much improved version of the revised Kilday bill. If the bill uses simple actuarial equivalents in providing for joint and survivor annuities it should not be opposed and the Department of Defense should receive reasonable assistance in advocating its passage.

Committee on relations with other organizations, Winston Emerick, New England Mutual, Johnstown, Pa., chairman:

The committee has not been active in any specific project so far this year but many local associations have promoted joint meetings with other organizations.

Combined meetings with accountants, trust officers, attorneys and professional women have been held. Local projects such as blood drives and establishment of insurance shelves in local libraries have been promoted.

Suggestions for effective relations with other organizations are: Establish a speakers bureau, have at least one combined meeting each year, participate in local activities and schedule Institute of Life Insurance motion pictures for local showing.

Federal law and legislation committee, Gerard S. Brown, Penn Mutual, Chicago, chairman:

Regarding the Jenkins-Keogh bills, successor to the Reed-Keogh bill, "we should like to make it clear that it is only the present form of the bills, certainly not the general purpose thereof, that we find discriminatory and objectionable. We are hopeful that equitable legislation can be worked out to give needed tax relief to the self-employed in order that such people can better afford to provide for their retirement and we recommend that N.A.-L.U. continue to cooperate to the greatest extent possible with the sponsors of the bills and all other persons and organizations interested therein in an effort to find a just solution of the problem. At the same time, unless the present bills are amended substantially to reflect the N.A.L.U.-A.L.C.-L.I.A.A. proposals, we cannot recommend any course other than one of continued opposition to the bills."

Regarding employee benefit plans: With the elimination of the federal wage and salary stabilization program, the subcommittee on employee benefit plans has no question of major importance before it. However it mentions that on Feb. 18 A.L.C. and L.I.A. submitted to the internal revenue bureau a request for a ruling as to whether a typical profit-sharing plan which would otherwise qualify as a tax-exempt trust under section 165(a) would still qualify if a portion of the trust fund is invested in convertible ordinary life insurance policies rather than in retirement income policies.

"Considerable doubt and confusion on this score has arisen by reason of two informal letter-rulings made by the bureau on Aug. 1 and Oct. 7, 1952, which indicated that a profit sharing trust using ordinary life insurance policies which provide direct life insurance protection for an employee cannot qualify under section 165(a) if the premiums on the policy are to be paid out of trust funds in the employee's account which have not been accumulated for a 'fixed period of years,'" the report states. "These letter-rulings

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would seem to differentiate between the use of ordinary life policies and the use of retirement income policies in this type of situation on the ground that the primary purpose behind a trustee's purchase of an ordinary life policy under which the death proceeds are payable direct to the employee's beneficiary is the current distribution of trust funds to the employee (i.e., in the form of current life insurance protection), rather than the accumulation of such funds for distribution after a 'fixed number of years'; whereas in the case where the trustee purchases a retirement income policy the prime purpose of 'accumulation' is accomplished by the reserve under the policy and the 'current distribution' attributable to the life insurance protection is merely incidental."

Hope for a reversal of these rulings is based on the ground that they were made on incomplete statements of fact presented to the bureau.

Committee on relations with attorneys, John J. Kellam, National Life of Vermont, New Canaan, Conn., chairman:

Consideration should be given to the reprinting in *Life Association News* of the national statement of principles of cooperation between agents and lawyers.

Life Association News will carry a report of the meeting of Conference of Lawyers and Life Insurance Companies because the meeting will consider subjects of interest to N.A.L.U. One topic is the suggestion of various guideposts to be observed by agents to avoid unauthorized practice of law.

Committee on speakers bureau, Newell C. Day, Equitable of Iowa, Davenport, Ia., chairman:

General Agents & Managers Conference should consider a library of tape recordings of talks by outstanding speakers which would be made available to local managers' associations. Such a program could be modeled on the one established for local agents' associations.

Committee on national affairs, Philip B. Hobbs, Equitable Society, Chicago, chairman:

Fifty local association leaders throughout the country have been asked to participate in the office of defense mobilization's community forums program, which is designed to interpret the defense mobilization program to the public.

Each leader will receive material from the office of defense mobilization which he will be asked to broadcast or have broadcast over a local radio station. Participation is on a voluntary basis.

The office of defense mobilization orientation conference, which will acquaint professional and business groups with current defense problems, is expected to be held soon.

General Agents & Managers Conference, John D. Marsh, Lincoln National, Washington, D. C., chairman:

Formation of study groups which use *Study Course in Agency Management* prepared by L.I.A.M.A. has stimulated local and state G.A.M.C. activities. Nine associations are presently undertaking the program, six are planning to begin in 1954. Eventually a majority of the associations are expected to participate.

A booklet describing the "Hartford plan" for helping local Community Chest drives, which has aroused widespread interest among member associations and local Community Chests,

has been prepared and distributed.

A brochure, *Managerial Practices in Selecting and Training Agents*, prepared by L.I.A.M.A., has been obtained in sufficient quantities to be distributed to members.

Two local and one state G.A.M.C. associations have been formed. Formation of five associations is under consideration. New England associations are considering formation of an area association.

The committee on area and state meetings has taken steps to organize forums on discussion of management problems in new areas this year.

The special committee on management practices is continuing its study.

Local life underwriters associations favor the plan whereby G.A.M.C. members would pay their dues directly rather through local association secretaries.

Committee on associations, Robert L. Walker, Peninsular Life, Orlando, Fla., chairman:

The idea of branch associations affiliated with large city associations should be extended. Membership has increased where it has been tried.

Branch associations have held regular meetings with good attendance and active participation by agents living in outlying areas, who otherwise might not have been active.

N.A.L.U. should promote "Blood Donation Day". Agents' clients might also be enlisted to donate blood.

Several committee members favor the plan of annual payment of dues on the anniversary of the agent's induction. No committee recommendation was made.

The leadership training manual will be available May 15.

Committee on conservation, M. W. Peterson, Lincoln National, Charlotte, N. C., chairman:

A special award for 10-year national quality award qualifiers is being considered. No definite plan has been decided. More than 500 nine-year qualifiers will be on the 1953 list.

Several companies send lists of agents who are eligible for N.Q.A. on the basis of production and persistency to local branch offices so that application for the award may be speeded. The committee asked, "Why can't more companies do this?"

Standardized local N.Q.A. presentation ceremonies have resulted in valuable prestige-building publicity.

Committee on research and industry development, Henry J. McLaurin, Aetna Life, Detroit, chairman: Not active for the first half of the association year.

Special committee on group insurance, headed by Robert C. Gilmore, Jr., Mutual Benefit Life, Bridgeport, Conn., N.A.L.U. secretary:

The report contains three exhibits analyzing state laws affecting group life insurance amounts and eligibility. It also discusses the new proposed statutory formula which provides that except for creditor insurance the aggregate maximum amount of group term life insurance on any one person shall not exceed the greater of \$20,000 or 1½ times his annual compensation, subject to a maximum of \$40,000. While it is N.A.L.U.'s obligation to recommend and support the new statutory formula in all "no-limit" states and not to oppose the formula if it should be introduced in those states now having a \$20,000 statutory limit, "your committee feels that clearly we should go a

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step further. Eventual uniformity of such legislation is highly desirable and most important... Therefore, while N.A.L.U. must leave the decision as to ultimate support of the new formula in states now having lower limits to the state associations located therein, we strongly urge that if the enactment of the formula is proposed in such states by the A.L.C. or the L.I.A.A., the state associations concerned lend their support to such legislation in the best interests of N.A.L.U. and the life insurance industry."

On group commissions: "The whole matter of commissions on group insurance, including commission schedules, payments where the employer fails to designate an agent and payments to other than a career agent or broker must be further investigated. It is doubtful if legislation can solve any of the existing evils directly, except where it may tighten licensing requirements or correct the evils of rebating. No evidence is before this committee that any employer or other group insurance buyer avoids commissions by purchasing his insurance direct from the issuing company, but companies differ in payment of such commissions. At least one company pools commissions on such direct business, distributing the pool to its full-time agents in the form of a credit against the agents' own group insurance or pension contributions. Such a practice is to be applauded.

"In New York state, a measure has passed the legislature and awaits the governor's signature, which would require that group underwriting companies file a detailed schedule of the commissions payable on risks in various size brackets and adhere to these schedules. (The New York state as-

sociation has filed a memorandum with the governor recommending that he sign the bill, which we believe to be a desirable piece of legislation.)

"This committee would welcome documented evidence of any malpractice under the general heading of commissions to aid us in our further studies."

The committee has not had time to explore what may be needed in remedial legislation in group A. & H. but suggests that N.A.L.U.'s special committee on A. & H. "is in a far better position to study this subject objectively and then to recommend to this committee such matters as it believes should receive legislative attention, following which we can confer with the A.L.C. and L.I.A.A. committees and we recommend adoption of this procedure."

On public information as to group insurance: The committee has brought to the attention of the company group committees the "crying need for better public education on group insurance. We believe that the average group policyholder has little or no conception of what group insurance is and does and that even more important he fails to understand what it is not and what it does not do."

Committee on relations with trust officers, Paul H. Conway, John Hancock, Syracuse, chairman:

There is no reason why attorneys and accountants should not be admitted to membership in local estate councils as long as the pattern of admission is acceptable to local trust men and agents who are already members of the local group and to American Bar Assn. and American Institute of Accountants.

The report states that the number of

members "from such groups should be limited to those who truly are interested in and competent to perform those specific duties which are necessary in order that the estate plan may be absolutely sound in concept and construction."

While caution is advisable in widening the membership of the councils, arbitrarily narrowing the membership should be opposed.

Committee on public information, William D. Davidson, Equitable Society, Chicago, chairman:

Associations which have not been devoting sufficient efforts to this program are urged to undertake some aspect of it.

Publicity in the following fields has been undertaken in various areas: local life insurance weeks, newspaper advertisements, local radio and television programs and establishment of life insurance shelves in local libraries.

Distribution of Institute of Life Insurance booklets, *Moderns Make Money Behave* and *What Life Insurance Means*, has been excellent in several communities. Other associations are working on this program.

Activities which will benefit the agent, the business, and the insuring public include life insurance films and slide programs, educational essay contests, women's finance forums and joint meetings with other professional and business groups.

Committee on field practices, Stanley C. Collins, Metropolitan Life, Buffalo, chairman:

Various types of proselyting advertisements should be condemned by N.A.L.U. The trade press and *Life Association News* should be discouraged from accepting such copy.

One form of proselyting ad is one that pictures a satisfied agent who is portrayed as earning several times as much because he severed his original life company connection and joined "Opportunity Unlimited."

Another form of copy is the one which advertises a bagful of unusual contracts which the agent can sell on a part-time basis while continuing his present contract. This differs from legitimate efforts to obtain surplus business and impaired risks.

The "bird dog" type of advertisement which tells the agent, "You furnish the prospect and we'll do the work," is also condemned as placing "other organizations which are unable or unwilling to engage in this type of effort at a disadvantage and discourages competence and responsibility on the part of the agent."

Committee on social security, Albert C. Adams, John Hancock, Philadelphia, chairman:

N.A.L.U. should continue to support the spreading of OASI coverage and the establishment of a commission to study proper federal, state and local relationships in social security and related welfare fields.

N.A.L.U. should cooperate with a congressional subcommittee studying the entire social security structure, and it should be represented at any hearings the group may conduct.

N.A.L.U. "should not acquiesce in the demands of those who would raise OASI benefits further to a level of complete adequacy for the needs of OASI beneficiaries."

The "present scale of benefits fulfills the basic minimum need concept and, in the not unlikely event of a substantial drop in the cost of living,

would become relatively generous. Further liberalization is therefore uncalled for and would serve to militate against the incentives for personal thrift and savings and individual assumption of responsibility."

Committee on publications, Claude C. Jones, Connecticut Mutual, Indianapolis, chairman:

No recommendation to increase advertising rates for *Life Association News* to meet increasing production costs was made. Such a step should await study by the business manager. Advertising rates will remain at the 1948 level meanwhile.

A careful study of the magazine has resulted in several suggestions for improvement, which have been or will be adopted by the editor. Redesigning the magazine has received considerable attention.

Life Notes' new format, which has been favorably received, still needs further testing.

Committee of agents, A. Jack Nussbaum, Massachusetts Mutual Life, Milwaukee, chairman:

Every local association should designate an agent member to attend all meetings of the committee of agents, which normally are held only at mid-year, and annual meetings. This delegate should be instructed by his board of directors to bring up any specific item in which his association is interested or which it wishes discussed.

"Obviously, this same delegate, plus all others who might desire to attend, should attend the proposed agents' forum which will provide a medium for exchange of views and discussion on an even broader basis than the regular business meetings of the committee. While many of the questions so brought up may not properly fall within the jurisdiction of the committee of agents, the thinking of this committee can then be referred on such questions to the proper committee for its consideration."

The agents' committee report expressed enthusiasm about the possibilities of the proposed forum, the first of which was held Tuesday evening.

Siracusa, Tupy Are Named Phoenix Mutual Managers

Phoenix Mutual Life has appointed Nino Siracusa manager at Springfield, Mass., and Joseph L. Tupy, Jr., at Dallas.

An air force veteran, Mr. Siracusa went with the company as an agent



Nino Siracusa



J. L. Tupy, Jr.

at Bridgeport, Conn., in 1949. After attending the home office supervisors' training school, he served at New Haven, New York City, and Portland, Me.

Mr. Tupy, also an air force veteran, joined the company at Chicago in 1949. In 1951 he was advanced to supervisor, and following graduation from the home office supervisors' school, he was stationed at Cleveland, Chicago, and Dallas.

Girard Life has retired from Ohio and is replaced by Girardian Insurance Co., Dallas, which will write life and accident.

When you sell **Mutual Trust**
your prospects gain the
advantage of:

1. LOW NET COSTS
2. FLEXIBLE SETTLEMENT OPTIONS
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Mutual Trust is soundly and economically managed for the benefit of its policyholders on a purely mutual basis with a strong general agency force operating in a stable territory.

Ill., Ind., Ia., Mich., Minn., N. D., Ohio, Wash., Wis., N. Y., Conn., Me., Mass., N. H., N. J., Pa., R. I., Vt., Cal.

Exceptional Field Opportunities Available...

Write to
the Agency
Secretary

Mutual Trust
LIFE INSURANCE CO.
135 South LaSalle St., Chicago

Thor Wanless to Leave Illinois Department

(CONTINUED FROM PAGE 1)

practiced law at Springfield. The office of assistant insurance director is a code position and he is an appointee of the governor.

According to a subsequent story in the Chicago Daily News, attorneys at Springfield complained to Gov. Stratton about Mr. Wanless' legal activities and Stratton called for his resignation. The Daily News said there was "an advertisement" in THE NATIONAL UNDERWRITER for a law firm including Wanless and James C. Craven. There was no such advertisement, but there was an article based on a news release saying Mr. Wanless, Mr. Craven and William M. Giffin had opened a law office and that Mr. Wanless would be on leave while serving with the state.

Prudential Promotes Dr. Albert H. Domm To Medical Director

Dr. Albert H. Domm has been promoted to medical director by Prudential. Dr. Domm joined Prudential as assistant medical director in the eastern home office in 1946 and in 1948 transferred to the western home office in the same capacity. Doctor Domm formerly was a medical instructor for Temple university and attending physician at Philadelphia General hospital.

In addition to his activities at Prudential, Doctor Domm is attending physician at St. Vincent's hospital, Los Angeles, and is a medical instructor at the University of Southern California.

Kan. Association Congress Program Readied for May

A record attendance of about 600 is expected at the 1953 sales congress and annual meeting of Kansas Assn. of Life Underwriters May 8-9 at Hutchinson.

The first day there will be a meeting of the board of directors, the annual meeting and election, a social hour, and buffet supper and entertainment. Travis T. Wallace, president of Great American Reserve, will be the speaker that day at the Kansas Leaders Round Table luncheon.

An early bird breakfast will begin the second day, followed by the sales congress at the State Fair Grounds. Robert W. Harper, Minnesota Mutual, Denver, and Charles E. Fritzsche, agency training director of Great American Life, will speak. Mr. Wallace will again be the luncheon speaker.

Murphy Joins State Mutual



Hubert J. Murphy

State Mutual Life has appointed Hubert J. Murphy manager for southern Connecticut with headquarters at New Haven. Mr. Murphy formerly was a supervisor for Equitable Life of Iowa at New York City.

New Kansas Association Formed

Southern Kansas Life Underwriters Assn. has been organized by agents in Cowley county. Keith P. Green, Winfield, is president; Harold S. Hunt, Winfield, vice-president; Oliver F. Stone, Arkansas City, secretary-treasurer; James M. McPeck, Winfield, state committeeman, and Lester J. Grimsley, Arkansas City, national committeeman.

Dewey OKs 213 Changes, Accounting Methods Bill

(CONTINUED FROM PAGE 1)

missible limit in agents' renewal commissions by about 5% of one year's premiums on a discounted basis of which anything above 1½ points would have to be payable as security benefits; allows general agents an extra overriding commission of 5%, subject to a sliding scale limitation if the general agent's personal production exceeded 50% of the agency's production; permits insurers to pay extra compensation to a new general agent in a new agency; permits insurers to pay training allowances to new agents; extends to the end of 1953 the temporary additions which were adopted to the expense limit factors in 1948, and adds a penalty clause permitting the superintendent of insurance to impose and levy fines against companies for violations of sections 213.

Mr. Dewey termed the measure accounting procedures an important milestone in life insurance supervision, pointing out that policyholders are directly interested in company operations, especially through policy dividends. Dividends are directly related to a proper allocation of the expenses of operation between the various kinds of insurance and the various classes of policyholders. Comparable allocation procedures are necessary for proper supervision, he stated.

The bill will affect 75% of more than \$275 billion of life insurance in force of companies doing business in the U. S.

New York state is the first to require of life insurers accounting in a manner enabling a supervisory agency to evaluate the allocation of income and expenses, according to the governor. Fire and casualty insurers were made subject to similar requirements in 1947.

The bill was drafted by the insurance department, the joint committee on insurance rates and regulation and representatives of Life Insurance Assn. of America and American Life Convention.

The measure specifically grants the superintendent power to issue reasonable regulations prescribing the standards for the equitable allocation of income and expenses as between lines of business and as between investment expenses and insurance expenses. The superintendent is empowered to promulgate such regulations only after giving notice to all insurers affected and after hearings. The superintendent's power under the measure would embrace ordering insurers to change methods of reporting or to modify the basis of allocations so as to produce reasonable and equitable results.

The new authority of the superintendent would enable him the more easily to check violations of laws regulating amounts companies can spend on expenses. The example is cited of a mutual insurer that had issued a type of policy years ago that proved costly and that it might now be carried on its books mixed with more profitable classes of business, yet basing its dividends on the earnings of a combination of the profitable and unprofitable. The new bill might require separating the two classes and placing each on its own feet.

The governor also signed a bill providing that persons gaining adult membership in fraternal societies before reaching age 21 shall be considered competent to enter into contracts for life insurance benefits subject to certain limitations as to designation of beneficiary.

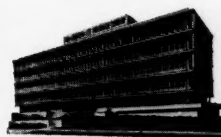


Security...

From the security of the individual comes the security of the mass. . . . This is the basis for the success of our sales organization. Every member of our sales force is armed with competitive merchandise, backed by a liberal compensation plan and excellent training.

Pan-American representatives are also assured of a secure future through a non-contributory pension plan—plus other benefits such as:

- Group insurance up to \$6000.
- Free hospitalization
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CHARLES J. MESMAN
Superintendent of Agencies

PAN-AMERICAN
LIFE INSURANCE CO.
NEW ORLEANS, U. S. A.

N. Y. Life Optimistic on Collegiate Recruiting Plan

(CONTINUED FROM PAGE 4)

by New York Life, and several other insurance companies in 1952 as a means of describing career opportunities in insurance to the college student. However, New York Life has decided to publish its own brochure and to circulate it among college students. The brochure will cover the same material.

New York Life is enthusiastic about the program. It feels that its benefits will be potentially of great value. But with only a year of direct experience upon which to base conclusions, Mr. Stieglitz can make no definite statements as to whether it will prove worthwhile, or as to how beneficial it will become to the company. Every effort is being utilized to obtain excellent college graduates for the sales force of the company, and over the years this program should pay dividends.

New York Life reminds the critics of such a program that college recruits in other industries are not always the future executives or successful salesmen for those organizations. Broadly

speaking, the turnover or failure to progress among college trainees in other industries is no better than that in life insurance. It is the few outstanding and successful recruits, the future leaders in their field and in their companies, who make the investment pay dividends.

D. C. Baltimore Life Meet

BALTIMORE—Members of the Baltimore Life's President's and Honor clubs are guests of the company at a week-end meeting, April 17-19 at the Shoreham hotel, Washington, D. C. Home office officials presiding are President Albert Burns and Vice-president and Superintendent of Agencies Fred I. Wunderlick.

Top honors in the President's Club go to Robert F. Guise of Williamsport, Pa., who has been designated club president. In the Honor Club, Anthony F. Cerendo of Erie, Pa. received highest merits and was named its president.

The entire Chambersburg, Pa. district, winners of the company's 1952 Burns Award, headed by Manager Lewis E. Mohler, are attending the affair.

Wisconsin Leaders Hold Meeting at Milwaukee

The Wisconsin Life Insurance Leaders Round Table is holding its annual meeting at Milwaukee with Roman N. Wagner, Bankers Life of Iowa, Sheboygan, chairman.

Speakers are Laflin C. Jones, executive assistant, Northwestern Mutual, discussing various phases of "Advanced Underwriting," and Joshua B. Glasser, general agent at Chicago for Continental Assurance, talking on "Group and Pension Opportunities for the Ordinary Agent." The following have been nominated for the round table executive committee: H. Wingfield Richter, Milwaukee, Mutual Benefit, chairman; P. A. Schuette, Jr., Manitowoc, Northwestern Mutual, vice-chairman; Leonard S. Wolfe, Acacia Mutual, and Mr. Wagner.

Good Year for Victory

Victory Mutual Life at the end of 1952 had \$26,673,491 insurance in force on a total of 30,914 policies in force. Payments to policyholders and beneficiaries of \$214,429 brought the total of such payments since the company's organization 20 years ago to \$2,332,691. Assets were \$4,195,425; general contingency reserve \$135,000, and unassigned surplus \$343,733. P. M. H. Savory is board chairman and president, and R. A. Valentine executive vice-president, secretary-treasurer.

Moates Tenn. President

Noah B. Moates, Nashville, state manager of Business Men's Assurance, has been elected president of Tennessee A. & H. Underwriters Assn.

Reschedule K. C. Institute

Date for the Kansas City estate planning institute has been changed to Friday, May 15, at University of Kansas City. Speakers will be Rene A. Wormser, New York City attorney; Solomon Huber, general agent at New York for Mutual Benefit Life; D. H. McLucas, vice-president, Northern Trust Co., Chicago, and David Lieberman, C.P.A.

Plan Ky. Assn. Meeting

The annual two-day convention of Kentucky Assn. of Life Underwriters, sponsored by the Louisville association, will hold forth at Louisville, May 28-29.

Speakers will include David B. Fluegelman of Northwestern Mutual Life, New York City, president of the National association; Powell Stamper, vice-president of National Life & Accident; Jack Wardlaw of Provident Mutual Life, Raleigh, N. C., and Tom Collins, director of City National Bank & Trust, Kansas City.

Panels on programming, estate planning, and A. & H., are also planned.

Fete Osterheld on 40th Year

Four home office officials of Central Life of Iowa, plus 75 agency associates and guests, attended a dinner at Stoughton, Wis., in honor of A. E. Osterheld, general agent, marking his 40th anniversary with the company. Attending were W. F. Poorman, president; Dr. M. I. Olsen, vice-president and medical director; E. F. Merritt, agency vice-president; and Arthur Olson, of Stoughton, statistician.

Slate O. Federation Rally

COLUMBUS—Insurance Federation of Ohio will hold its annual luncheon and business meeting May 19 at the Neil House, Columbus. John C. Stott of Norwich, N. Y., will speak.

Prudential Promotes Clapp

Frank C. Clapp has been promoted to field training consultant for the ordinary agencies division of Prudential. Mr. Clapp joined Prudential as a

special agent at Sacramento in 1950 and was promoted to assistant manager in that agency in 1951. Last year Mr. Clapp was rated among the top ten assistant managers in the 11 western states and Hawaii with \$1,929,881 net paid for new business. He is an air force veteran.

McAulay Lauds Agent as Vital Link in Underwriting

(CONTINUED FROM PAGE 13)

tion process is a battle of wits between the home office underwriter and the medical director on one side and the insured and agent on the other, Mr. McAulay believes there is an ever-growing number of agents and home office underwriters who realize that they cannot afford to spend their time fighting one another. With the competition that ordinary gets from group and social security, "the home office underwriter has to realize the ever-increasing problems that the agent selling ordinary faces and the home office underwriter must do everything possible to help the business be placed with a minimum of delay and trouble," he said. Besides that, he must prevent adverse selection. The agent has to realize that his future success with the company depends on its being able to give him a good product to sell and it won't be good unless he helps the home office produce good mortality.

The heavier not-taken rate normally experienced on substandard not only adds to costs but makes anti-selection worse, since it is natural that the worse risks among the impaired lives will pay the extra rating with less objection, said Mr. McAulay. One way to keep down the expense is to shy away from classes of business with an inherently high not-taken rate. For example, a company may refuse to participate in "shopped" substandard—business in which the company has to beat the entire field or its policy is returned not-taken. A "shopped" case may also mean a carefully groomed applicant. A company may find it worth while to require that an inquiry blank, rather than an application and medical, be forwarded if the applicant has been declined by any other company issuing substandard or has refused to accept a substandard policy issued by any other company.

In placing a rated case, it helps if the agent has the same familiarity with the impairment and its technical aspects as the applicant has probably obtained from talking with his doctor. For this purpose "Risk Appraisal" by Dr. Harry Dingman is invaluable, said Mr. McAulay.

Begin Milwaukee Planning

Plans are underway for the annual meeting and sales congress of Wisconsin Assn. of Life Underwriters, to be held at Milwaukee May 21-22.

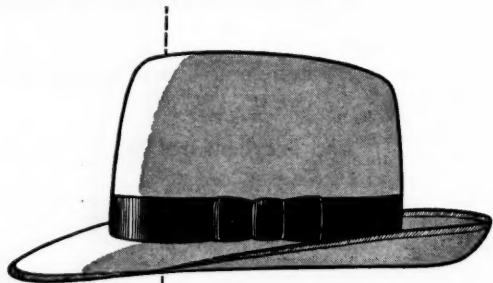
The business meeting will be held Thursday and that evening Wisconsin Assn. of Life Managers & General Agents will hold a dinner meeting.

At the sales congress Friday there will be a panel presentation of "Million Dollar Sales Ideas," with about 20 Wisconsin M.D.R.T. members participating. Other sales talks will follow. A real Milwaukee "gemuetlichkeit" party will be held that evening.

Beyer Joins Wisconsin Life

Donald J. Beyer, a trust officer of the Bank of Madison (Wis.), has been elected assistant secretary of Wisconsin Life. He practiced law before joining the bank in 1950.

Harry Charlton of Sun Life discussed another chapter of the book, "Developing Detached Men" at a meeting of Seattle managers.



6¹4 · 6³8 · 6¹2 · 6³4 · 7 · 7¹8 · 7¹4 · 7³8 · 7¹2 · 7

WHAT'S
YOUR HAT
SIZE?

When the average man steps up to buy a hat he expects to be fitted exactly . . . no "average size" hat for him! This obvious fact applies to selling insurance, too.

American United Life Insurance Company's agency department gets along with the field like ham gets along with eggs. Simply because sales plans and sales programs are fitted to the field instead of vice versa.

American United field men are full of ideas and the agency department makes the most of that. On the other hand, top brass in the agency department are all successful insurance salesmen and the field makes the most of that. Fitting each head with the proper-sized hat is a matter of attitude. And this attitude is paying off in a big way, with new records of good business, profitable to the company and profitable to the men.



AMERICAN UNITED LIFE INSURANCE COMPANY

HOME OFFICE, FALL CREEK PARKWAY AT MERIDIAN ST.

INDIANAPOLIS, INDIANA

Thore Calls Security Act Threat to Life Business

(CONTINUED FROM PAGE 4)

fact, if social security operated like an insurance company, the taxes would have to be about 6% of payroll instead of 3%, to support the benefits on a level-premium basis.

"These facts show that the federal security system is not social insurance, but a welfare plan supported by payroll taxes," said Mr. Thore.

The speaker commended the U. S. Chamber of Commerce program for putting everybody under the act and paying for all benefits out of current payroll taxes, thereby making it clear that current taxes pay only for current benefits and helping destroy the fiction that the federal security act is an insurance system. He said joint subcommittees have been appointed by the company associations to explore the problems that will arise if the social security system is continued the way it is; whether welfare needs should be centralized further in the federal government or whether each state should be encouraged to assume greater responsibility; the need for functional changes in the present system, as in the work clause, insured status, and benefit eligibility; the disability waiver included in 1952 and the consequences of providing any form of disability benefit at the federal level.

Results of these studies, said Mr. Thore, should help the life business to formulate long-range policy regarding the system and help educate the people about the true nature of the existing system. Probably no fundamental social security legislation will be enacted this year but "assuming that the studies now in progress are productive, it may be anticipated that social security legislation will become a major issue in 1954."

Discussing the income tax on companies, Mr. Thore said "it is anticipated" that the present 6½% arrangement will be extended again and "it is hoped that the extension will not be limited to one year."

"The staff of the joint committee on internal revenue taxation, together with representatives of the Treasury, are studying other methods of taxing life insurance companies," he said. "A method frequently mentioned by the past administration would tax life companies under the provisions of laws applying to corporate business. This approach would result in taxing additions to the surplus of a mutual company at the regular corporate tax rate. In the case of stock companies, both additions to surplus and amounts available for distribution to stockholders as dividends would be taxed at the regular corporate rate."

"Neither the staff of the joint committee on internal revenue taxation nor the new Treasury staff has recommended this method. Its greatest defect is that the regular corporate tax provisions are unworkable when applied to a long-range business like life insurance."

Mr. Thore said that over the years many serious inequities have developed in the internal revenue code, some of them seriously discriminating against the rights of policyholders and beneficiaries. More than 13,000 suggestions have been received by the joint congressional committee on internal revenue taxation in response to its invitation. The companies and agents have submitted suggestions designed to help policyholders and beneficiaries. However, Congress is not expected to review

suggestions until it decides to revise the code, which will probably not be until 1954.

Because of piecemeal legislation and absence of long-range planning, servicemen's benefits have pyramided so that an enlisted man with a family may be covered for monthly payments several times his base pay and for reserve officers even larger monthly death benefits are possible. Mr. Thore said the Defense Department is considering a proposal that would drastically change the system and save the government a lot of money. It would be built around social security benefits, plus veterans administration benefits for dependents, graded in relationship to base pay. The gratuitous indemnity would be ended.

A change like this is always difficult, because "political pressures in this area" are usually great, said Mr. Thore, but added that the fact that the Defense Department is trying to do something about this problem is encouraging.

Mr. Thore said the new administration recognizes the need for a thorough study of tax laws governing private pensions and individual retirement proposals. It is anticipated that an advisory group will shortly be appointed by the

Treasury and Congress will probably await the results of its studies. To adopt new legislation now in this field might introduce further confusion and make real improvement more difficult to accomplish.

Everyone in the life insurance business should become familiar with explorations now going on in Washington, said Mr. Thore. Not everyone can participate but "everyone can help improve the services offered by private life insurance companies. In that way we will meet the challenge of those who maintain that government can do a better job than we can."

As to what the home office underwriters can do specifically, Mr. Thore suggested:

1. Familiarize yourself with major federal developments directly affecting the life insurance business. A clear understanding of these issues will emphasize the importance of many of the decisions you make.

2. As far as practicable, review underwriting practices periodically to assure that they reflect current experience.

3. Watch out for deficiencies in serv-

ice and correct them as quickly as you can. This includes being sensitive to criticism and taking the time to explain actions that can be misunderstood by the public.

4. Pioneer in new fields, particularly if the public is demanding a new service. Do this even though some risk is involved. Realize that an agency in Washington will be eager to show that it can provide any service the public wants.

Schedule Non-Can Session

One entire session of the educational seminar of Bureau of A. & H. Underwriters May 12-14 in New York will be a discussion of non-cancellable A. & H. insurance. Graham Thompson, Security Mutual Life, will be in charge, and talks on this subject will be given by David G. Scott, Continental Assurance; Gerald S. Parker, Guardian Life; Charles Seavey, Union Life, and Mr. Thompson.

Universe Life Enters Wyo.

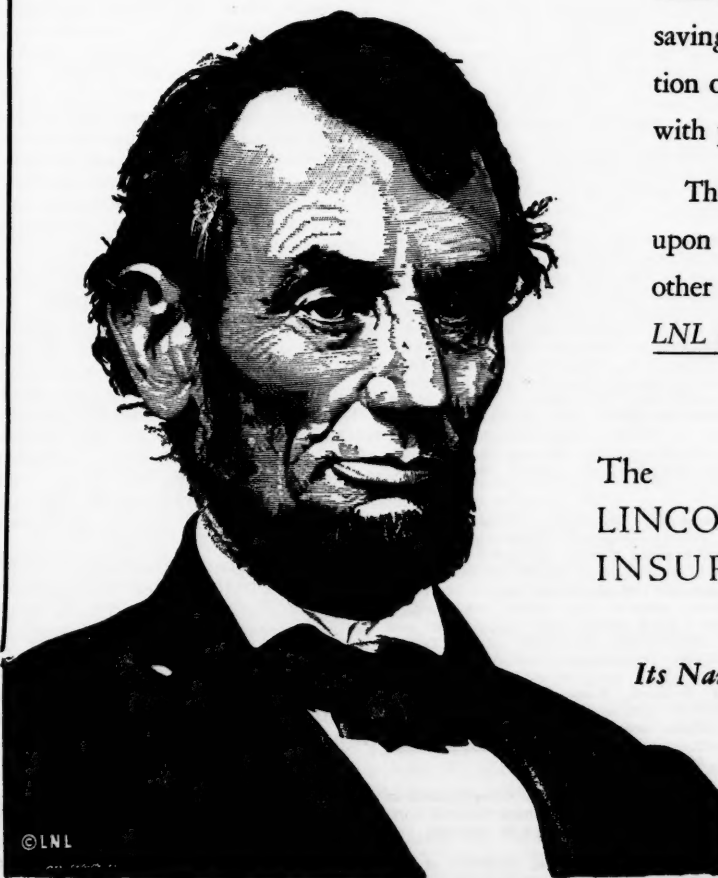
The Universe Life of Carson City, Nev., with administrative offices at Reno, has been licensed in Wyoming. This company is owned by Illinois Commercial Men's Assn.

5 for 1 at 21!

The Junior Estate Builder is one of the most popular plans in the LNL agent's extensive portfolio. Each \$1,000 of original insurance increases to \$5,000 at age 21 while the premium remains the same. Thus, it enables the father to give his child an early start on a substantial, permanent life insurance program. Also, this low-cost, participating

contract is flexible enough to provide savings for financing a college education or a business opportunity. Issued with payor benefits.

The Lincoln National man looks upon the Junior Estate Builder as another reason for our proud claim that LNL is geared to help its field men.



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ASSOCIATIONS

Ariz. Sales Congress Hears Future Bright

The volume market has been seriously curtailed, and that is why National Life of Vermont has decided not to enter the group field at the present time, Dean C. Davis, president, told some 259 members and guests of Arizona Assn. of Life Underwriters at its annual sales congress at Chandler, Ariz. He summarized an exhaustive study his company had recently completed on group insurance, and gave as a threefold reason for the falling off of the market the very large number of persons already covered under group or social security, the reduction of the number of savable dollars and the drop in net worth of the average family of 12½% since 1939.

In answer to his own question of where, then, can we look for volume? he said the life insurance market depends on a substantial and enduring need which is expanding very rapidly because there will be more widows; widows will be living longer; there will be more dependent children; more children will go to high school and college, and the population is increasing.

Leonard Moran, National Life, Vermont, association president, reviewed recent accomplishments of the association in his welcome address.

Wallace E. Ott, Aetna Life, San Francisco, observed that he found nothing conspicuous in his life insurance experience, saying his success was based on "the usual and every day" and the application of basic principles in selling. He emphasized the importance of controlling the interview and of letting the prospect talk about his problems.

Grant S. Taggart, California-Western States Life, Cowley, Wyo., reviewed some of the highlights of his experience. He observed that "people are the same wherever you go. Wherever you go, you can write life insurance if you establish your prestige."

For new agents, Mr. Taggart stressed the importance of writing many applications rather than concentrating on the large cases. He also advised the agents to forget commissions and think in terms of service.

Edwin D. McGwire, New York Life, manager and chairman of a special Arizona association legislative committee, reviewed the status of bills pending before the Arizona legislature relating to life insurance. He then presented six Million Dollar Round Table members, who discussed the "What Makes a Millionaire?"

Panelists were John A. Bellows, Jr., Northwestern Mutual Life, who attributed his success chiefly to business insurance, particularly on key men; Jack Dunn, Northwestern Mutual, recommended continuous prospecting and pointed out that service is of paramount importance; Philip S. Hack, Northwestern Mutual, stressed knowledge of life insurance; Rulon Rasmussen, New York Life, emphasized the importance of setting a proper mood in the introduction, and the "power of listening"; Nelo E. Rhoton, New York Life, attitude, continuous self-improvement and building of good daily work habits, and Andrew L. Wolf, Business Men's Assurance, who sets himself a

quota of \$20,000 of business every week as a matter of developing good habits and staying with them.

Chester O. Fischer, vice-president of Massachusetts Mutual Life, discussed life insurance from the point of product, market, and the salesman. He said that free enterprise could not exist without life insurance, and that in listing the difficulties of selling life insurance are found the very reasons for buying it. Mr. Fischer, in pointing out that there is a great life insurance market, gave statistics showing that there will be 700,000 new families in America in 1953, 1954 and 1955, that the average premium paid for life insurance by the American family today is \$150 per year and that less than one year's national income is insured.

5-Day N.C. Sales Congress

North Carolina Assn. of Life Underwriters has scheduled its five-day life insurance all-star sales congress and debit seminar in five cities, beginning with Asheville April 28. In successive order other cities on the tour are Charlotte, Greensboro, Raleigh, ending in Wilmington on May 10.

Speakers are John H. Clayton, assistant manager for Prudential at Durham and president of the association; M. W. Peterson, Lincoln National Life, Charlotte and N.A.L.U. trustee; Isaac S. Kibrick, home office agency assistant, New York Life; W. Walter Smith, Metropolitan Life, Rutherfordton; Thomas F. Irwin, Provident Mutual Life, Philadelphia, and Charles A. Hostetler, chief deputy commissioner of North Carolina.

San Antonio—Association members met for a kickoff breakfast as part of their program to further the 1953 Cancer Crusade here. Co-chairman for the drive is Marion A. Coulter, general agent, Paul Revere Life, and president of the association, who announced division chairmen for the campaign.

Milwaukee—John R. Hastie, Mutual Life, Chicago, spoke on "Raising Your Sights" at the April luncheon meeting.

Hampstead, L. I., New York—Gordon D. McKinney, vice-president, Security Mutual, Binghamton, will address the Long Island branch of the New York City association on "What I Would Do if I Were a Salesman." Mr. McKinney is a former actuary for the National association and aided in the revision of the New York State compensation law.

Michigan City, Ind.—John Anderton, attorney of La Porte, spoke on "Lawyers in Life Insurance" at a meeting of La Porte County association.

Oakland, Cal.—The annual sales forum conducted by the Oakland-East Bay association will have the following speakers: Hal L. Nutt, director of the Purdue Institute, "The Use of Outside Influence on the Sale of Life Insurance"; Walter Castil, manager at Los Angeles for Connecticut General, "Sales Program"; James L. McDonnell, Guardian Life, who will conduct a panel for new life insurance men; Frank W. Dedman, New England Mutual in charge of a panel devoted to closing; Herman A. Zischke, moderating a panel that will consider pensions; Howard Carsten, Paul Revere Life, heading a panel on A. & H. sales.

Chicago—The association will join with the Cook County Corporate Fiduciary Assn. in hearing a panel May 9, conducted by Chicago Life Insurance & Trust Council, which will compare the advantages of life insurance settlement options and trusts. Participating will be a trust officer, field underwriter and home office man. Moderator will be Daniel M. Schuyler of Schuyler, Richert & Stough.

New Bedford, Mass.—Mitchell M. Rosser of Phoenix Mutual Life, Boston, trustee of the National association and chairman of the N.A.L.U. membership committee, discussed "Let's Talk About Selling."

Syracuse—Richard E. Pille, vice-president in charge of agencies of Mutual Benefit Life, was the speaker at the April 16 meeting.

Toledo—Levi E. Bottens, director of administration of L.U.T.C., talked on "What L.U.T.C. Means to Us."

Merritt Offers Guidance For Agent Recruiting

(CONTINUED ON PAGE 10)

should be put on the agent's freedom of action, increasing security in later years, small capital investment required, genuine service value of the agent in his community and the fact that only interest and aptitude are required, the knowhow being acquired on the job.

Actually, according to Mr. Merritt, the recruiter is buying habits of the prospective agent and, if they fit life insurance, the prospect will be successful. More concretely, Mr. Merritt noted that one of the first things he looks for in a prospect is good persuasive qualities in face to face situations. To sell life insurance, the man must be able to push people around, and yet do so tactfully. He said he considers past experience the greatest prognosticator of a man's chances in life insurance. Where a person has exhibited leadership and assumed responsibility, showing an inclination continually to broaden his abilities, he is a promising agent prospect.

Halsey Josephson, Connecticut Mutual Life, New York City, took the view that agent selection can't be divorced from the type of job an agency is doing. If a general type operation is being conducted, selection does not have to be on too strict a basis. Only where an agency attempts to build up a specialized operation, stressing estate planning and the more involved aspects of the business, is there reason to exercise extreme selection measures.

It was Mr. Josephson's theory that selling life insurance does not differ greatly from other types of sales work, and he looked with disfavor on particularizing selection as to definite types of persons.

Summing up, Mr. Merritt described the vocational guidance approach to selection as building prestige for life insurance, while at the same time helping the individual think correctly and make an accurate appraisal of his work-future. Vocational testing appraises the capacities, abilities, past vocational and avocational experience, each in terms of life underwriting as a career. Where logical guidance appraisal follows, it is apparent whether or not a work change is desirable, and for what type of work the person is most qualified.

25th Mass. Mutual School

The 25th home office career school for Massachusetts Mutual Life agents is being held April 12-22 with men from 19 different agencies attending. The school emphasizes basic programming, business insurance and associated subjects. Officers and department heads are addressing the group, and new business insurance sales material is being introduced and its application illustrated.

A personal conference with a member of the training staff is scheduled for each student, where the student's selling procedures and techniques are discussed and analyzed.

The staff is headed by C. Lowell McPherson, assisted by James J. Bergen, William B. Ferguson and J. Walter Reardon.

• Ray W. Druckenmiller, Allentown, Pa., Provident Mutual Life's leading producer in 1952, was honored at a dinner attended by Thomas A. Bradshaw, president, and James H. Cowles, vice-president and manager of agencies.



At the room on developing surplus and brokerage business during the General Agents & Managers Conference meeting in Chicago the leader was Earl C. Jordan, (left), Massachusetts Mutual, Chicago. Shown with him is Harry Nelson, Manhattan Life, Chicago.

Ponder How to Lessen Tax Bite on Renewal Account

(CONTINUED FROM PAGE 11)

humorous conference with his executor, and ask him to take it easy and not try to nick the estate for the full executor's percentage on the renewal account.

The question was asked whether the contract beneficiary method isn't a good way to "spray" the income to several individuals and save on income tax. Mr. Barker said the same thing could be done by a testamentary trust or in a will without a trust. He did say that until the estate is closed and the assets distributed the trustee would have to file an income tax for the trust as a unit and this might produce a heavy income tax particularly in the first year. The task then would be to hurry up and get the estate closed.

Mr. Barker said a good device is to divide the estate into two parts, one qualifying for marital deduction trust. This should be free as the air, and with the wife privileged to invade the principal. Then the balance could be put in a rigid residuary trust on which the wife doesn't have to pay a tax on her estate.

Mr. Barker pointed out that a pension plan for general agents can't be qualified under section 165 of the revenue code because that covers only full-time life insurance salesmen. The general agent is a proprietor. Mr. Barker said G.A.M.C. ought to get busy and try to get an amendment to 165 so that general agents' plan could be qualified. As it is now any company contribution to a plan for general agents would be taxed.

To Hold Local CLU Meets

C.L.U. educational committee meetings at Kansas City, Wichita and Omaha, April 24, May 11 and May 1, respectively, have been scheduled by Pendleton A. Miller, New England Mutual general agent, Topeka, and midwestern director of American Society. Plans will be made for new candidate recruiting and study group enrollments.

March a Record for Home, N. Y.

Home Life of New York broke all previous records for new business during March with a volume of \$13,466,961, an increase of 21.3% over last year.

Also a record-breaker was the first quarter, totaling \$35,869,805, an increase of 12.1% over the first quarter of last year.

Meeting the Problems of Decentralization

(CONTINUED FROM PAGE 2)

a director of agencies, an actuary, a counsel, an investment man, a medical director, a general manager of insurance policy services, a personnel man, a treasurer, and an auditor, the latter being directly responsible to Newark.

This distribution of key personnel has created additional major career opportunities within the total organization. An actuary, for example, operating in one of the RHOs (now established in Los Angeles, Toronto and Houston) probably gets more satisfaction out of his position than he would obtain from a comparable position at the home office, where his activities would be more specialized and circumscribed. At Newark he would have more people above him, below him and around him.

To illustrate the difference between the regional and the corporate function, if a change in a contract comes up for discussion at the head office, the actuary in the RHO is asked to submit his ideas. Since the responsibility for company contract forms would be at its corporate headquarters, he doesn't spend hours simmering them to final form. At the regional home office he is a consultant to the corporate group, his advice is taken seriously, but he has none of the time-consuming labor of numerous conferences, of drafting and redrafting the final proposal.

At the RHO, a man can earn quick recognition. In Prudential formerly, at level X he would have had a more specialized job. In the decentralized territory there are fewer people, there is a smaller amount of business to which his opportunities are related. But the key man at RHO does a greater variety of things. The tendency under this kind of stimuli is to develop more rapidly and in more directions.

Prudential is happy about the greater development of supervisors and executives in a decentralized RHO. A manager supervises more functions than he would in Newark. He gets a broader knowledge. Instead of specializing in a narrow field, he gets a substantial working knowledge in a broad field.

To the company, this means better coordination of effort throughout the organization, and a larger group from which to choose men and women for promotion. To the individual, it means a better opportunity to qualify for advancement. In the western home office three top sales executives there when it opened have gone on to bigger jobs, and three others have come up to take their places.

One valuable procedure for accomplishing coordination is the council meeting. The council consists of the top vice-presidents of each division in Newark and the vice-presidents of the regional home offices. They meet periodically to thresh out matters. The council enables regional officers to review home office policy and participate in shaping such changes or new developments as may be necessary.

As a specific example of the importance of coordination, it is evident that in Prudential's public relations work, it cannot tell one section of the country one story and change it for some other section. Likewise, it cannot have one set of rules governing reinstatement of lapsed insurance in one place, and a different set somewhere else.

And it must have the same general kind of investment program throughout the country—a safe, sound one.

Another problem growing out of the decentralization program is the relatively low clerical production rate in a newly established RHO. At Los Angeles, for example, Prudential started operations with about 25% of its staff experienced, the other 75% newly hired in the local area. Inevitably the initial production rate was low, climbed gradually as the staff became more stabilized and better trained. Today, the rate compares very favorably with the performance of the long-established staff at Newark.

Offsetting the initial lower clerical output, the Los Angeles RHO showed certain very favorable aspects. The rate of sales increase was much sharper there than elsewhere. The western sales executives were able to give the sales force close attention, and stepped up the training and encouragement of new men and established men as well. As a result, in the years 1948 to 1951, the total sales per agent there increased 14%, compared with a 9% company-wide increase.

The western sales force now holds its own separate regional sales meetings. More men qualify for these meetings than previously as a result of sales performance. They hold them in western surroundings. The topics of discussion are predominantly western. A strong competitive spirit has developed and they are unanimously out to show the rest of the country that the west can do a better job whether it is selling, investing money, or giving service to customers.

As a result of decentralization, it is necessary to keep a more accurate inventory of management personnel, key men. Their physical distribution calls for accurate measure of man and job, and more though not different planning ahead to meet developing needs. In general, decentralization brings attention to men who can stand on their own feet.

Training of RHO men for the broader duties they meet there, beyond their specialties, tends to solve itself. The actuary, for example, is apt to face a sales problem rather promptly and rather frequently thereafter, which he

might not have done, at least so soon in his career or so frequently, in the home office where circumstances are such as to emphasize specialization.

As to morale, from vice-president down to the youngest clerk there is a feeling of greater challenge and greater opportunity to the individual. Each feels he has an important part to play, because it is easier to see his own part in relation to the whole. There is a closer family feeling because there are fewer people, and they can get to know each other better. It adds up to greater job satisfaction and better employee relations.

In the Los Angeles RHO there are some 1,300 employees. Nowadays, to them, the top man is the vice-president in charge of their office. Most of them see him frequently, hundreds are acquainted with him, and many know him well. How much better a base this provides for a warm, friendly relationship with the head man.

When the head of western operations wants to get a quick decision on some urgent question, he can gather up his top executives, have them all together in his office in a few minutes and get his decision made.

One other gratifying aspect of the California operation is the extent to which the company has been able to increase the western public's knowledge and understanding of the company and to develop closer community ties. This has resulted from participation of their executives in local affairs, and to some extent from the mere existence of a Prudential home office building. The result has been a position of influence and prominence for Prudential which has done much to better its public relations.

For example, in the last three or four years, the RHO vice-president has become head of the United Fund Drive in Los Angeles, has played a leading part in chamber of commerce activities, and has made many other civic contributions that could not have been made by a Prudential representative before he came on the scene. Similar activities have been undertaken by the Canadian and Southwestern RHO vice-presidents.

There has also been a noticeable improvement in the number and quality of investment opportunities available to the company in the areas served by the RHOs.

Until decentralization is completed there will continue to exist, as at present, a transition period in which two distinct units, home office and regional home offices, have not wholly emerged. For example, executives at the home office may for the present be both home office executives and eastern RHO executives.

The aim of course is a distinct corporate staff, separate from the regional staffs. The eastern RHO at Newark eventually will operate independently, as does every other RHO, even though the corporate staff will also be located at Newark and housed in the same buildings.

The decentralization program has been successful. It is going forward steadily, with RHOs now building or being designed at Chicago, Minneapolis and Jacksonville. Others may be planned later for one or two additional points. It will be quite a few years before the process is completed but Prudential even now is able to enjoy partially the benefits of decentralization. These benefits will increase with the addition of each RHO unit.

KAUL'S GAMC SESSION

Man with Urgent Objectives Is Best Agent Prospect

The ideal agent recruit was described as the man with "urgent objectives" in the room on "Recruiting Under Today's Conditions" at the room-hopping session of the General Agents & Managers Conference meeting in Chicago.

Unless a man has some definitized personal objectives, such as a better home, a new car, greater prestige, his chances of being a success in the business are small, according to Paul C. Kaul, general agent of Connecticut Mutual Life at Omaha, session leader.

It was Mr. Kaul's contention that recruiting is not simply a matter of high scores on tests, but rather a deep-seated desire to get ahead plus the sort of mental toughness that will get the new man over what could be a discouraging original period. Even though a prospect comes through tests with flying colors, Mr. Kaul said he feels "a life insurance harness must be put on him to determine if he can pull." The ultimate selection of an agent, then, rests with the manager's judgment.

Mr. Kaul keeps an informal type earnings record of his agency staff to show likely prospects the earning potential of the life insurance agent. He said this serves to dispel what often seems to be an impression that life insurance is all work and no pay. The suggestion was made that another convincing way to show the earning possibilities is to carry duplicate income tax returns of the agency staff.

It is Mr. Kaul's experience that the man who demands high financing often is looking only for a short resting place while he job prospects in other fields. Where there is such an indication, and yet the prospect appears promising in other respects, Mr. Kaul requires that he continue in his current job for about 60 days, and arranges for him to enter the business on a part time basis. This serves to indicate his aptitude as well as seriousness of intention.

It was the general consensus that aptitude tests should be considered as an eliminating tool.



Lawrence Jackson, administrative assistant of the General Agents & Managers Conference, puts up a sign for one of the room-hopping sessions that were a popular feature of the G.A.M.C. meeting during the N.A.L.U. mid-year gathering at Chicago.



William A. Fraser (right), Bankers of Iowa, Lincoln, Neb., was in a Michigan avenue restaurant having a mid-night cup of coffee when a thug tried to hold up the cashier and was shot to death by two detectives who were also having a late snack. Here Mr. Fraser shows the Chicago Tribune account of it to another N.A.L.U. mid-year meeting attendee, John Lienemann, Lutheran Brotherhood, Beatrice, Neb.

Late News Bulletins . . .

Metropolitan Life Names Three 2nd V.-P.s

R. Manning Brown, Everett G. Judson and Edmund L. G. Zalinski have been named 2nd vice-presidents of New York Life. Formerly assistant vice-presidents, they are respectively in the real estate and mortgage loan, investment and agency departments. Mr. Brown joined the company in 1951 as assistant vice-president. Mr. Judson went with the company in 1938, subsequently becoming assistant manager, then manager of the investment department, assistant treasurer, and in 1951 assistant vice-president. Mr. Zalinski went with the company in 1938. He became manager of the New Haven, Conn., office in 1945 and in 1947 became managing director of Life Underwriter Training Council, subsequently becoming executive vice-president of National Assn. of Life Underwriters. In 1952 he rejoined New York Life as assistant vice-president in the agency department and has been in charge of accident and sickness brokerage and small group sales.

Life Underwriter Code of Ethics Is Framed

At the session of the N.A.L.U. trustees at Chicago late Wednesday afternoon that was open to the public so to say, there was approved a statement of a code of ethics for the life underwriter. This had been drafted by a committee of past presidents and was presented by Charles E. Cleeton of Los Angeles and Lester S. Schriver of Peoria.

In reporting for the committee on group insurance, Secretary Robert C. Gilmore, Jr., read a letter from a representative of National Assn. of Insurance Brokers inviting N.A.L.U. to join in making a study of whether labor unions are guilty of coercive practices in group insurance activities. Mr. Gilmore indicated his opinion that such a study might be in order if it were undertaken without any implication that N.A.L.U. believes that there are coercive practices.

Robert L. Walker, as chairman of the committee on associations, noted that the New Orleans wives have formed an auxiliary and requested that they be given some official recognition. Mr. Walker voiced the belief that the attitude should be one of unofficial friendliness to ladies auxiliaries and that for the present there should be no formal recognition of them.

There was considerable discussion, all adverse, to the suggestion that on the N.A.L.U. stationery the trustees be identified as being either agent, general agent or manager.

Switch '54 NALU Midyear Rally to New Orleans

The 1954 midyear meeting of N.A.L.U. will be held the week of March 22 at the Roosevelt hotel, New Orleans, and not at Columbus, O., as previously planned. The midyear meeting will be held at Columbus in 1955. The change was made to avoid having another Ohio meeting consecutive with the annual meeting being held at Cleveland in August of this year.

The trustees made the decision at the midyear meeting at Chicago this week.

The 1955 annual meeting cannot be held at Dallas as planned, as the Statler hotel there will not be completed in time. The trustees were scheduled to decide Thursday afternoon on another convention city. It appeared likely the convention would go to St. Louis with the Jefferson as headquarters hotel.

Developing Brokerage Business is Topic of Managers at Chicago

To develop brokerage and surplus business, first develop the manager's philosophy and methods of contacting and dealing with the broker, and this type of business will be there for the taking. This was the overwhelming consensus at the room hopping session devoted to that subject at the G.A.M.C. program held in conjunction with the National Assn. of Life Underwriters' mid-year meeting at Chicago this week.

Under the aegis of Discussion Leader Earl C. Jordan, Massachusetts Mutual Life, Chicago, the room hoppers filled the surplus-hopper with a wealth of ideas on the care and treatment of brokers. In the main, this could be summarized as, "treat them right and they'll treat you right." This, of course, entails varied and detailed knowledge on the part of the general agent.

The general agent must know how to prepare a case and secure full facts to present to the home office. In this way he gains the confidence of the broker by not having embarrassing delays to explain when the home office calls his attention to overlooked, necessary information. A good way to get around this, it was suggested, is to have the broker write the general agent a letter giving complete details, which he then can send on with a

covering letter.

This leads to prompt service which naturally makes the broker feel that the general agent not only knows how to handle cases but that he is interested in them, wants the business and that it is important to him. And to augment this feeling, letting the broker know how things are going will do wonders. It also keeps the general agent in frequent contact with him, which is very valuable. This end can also be gained by keeping the broker informed of company changes, limits.

D. C. Committee Prescribes Model A. & H. Provisions

WASHINGTON—The Senate District of Columbia committee concluded its hearing on a bill to regulate life insurance in D. C. by prescribing standard provisions to be included in individual A. & H. policies, along the lines of the model A. & H. act approved by National Assn. of Insurance Commissioners.

Robert Crichton of American Life Convention said his organization and Life Insurance Assn. have no objection to the bill, which was favored by other witnesses, in some instances with technical amendments.

These witnesses included D. C. Corporation Counsel West, accompanied by Superintendent Jordan, Howard M. Starling, Washington representative, Assn. of Casualty & Surety Companies; John F. McAlezezy, Bureau of A. & H. Underwriters; Milton Ellis, Metropolitan Life; R. H. Rydman, H. & A. Underwriters Conference.

B. G. Hildebrand Tells Marital Deductions

Depending upon circumstances and developments, the federal estate tax marital deduction provision either may allow enormous tax savings on estates of married decedents or may only permit a tax postponement, Bernard G. Hildebrand, tax attorney of Metropolitan Life, advised the Practising Law Institute Saturday forum. Mr. Hildebrand spoke about problems of qualifying life insurance for the marital deduction.

Mr. Hildebrand said that marital deduction only gives a tax advantage to married couples under certain conditions. It is meaningless in estates which are non-taxable because of the federal \$60,000 general exemption; it is limited to a maximum of 50% of the so-called adjusted gross estate; it may be reduced by the amount of federal and state death taxes which the surviving spouse may be required to pay; and it requires that the property qualifying for the deduction must pass to a spouse in such a manner that on the latter's death such property is taxable in the surviving spouse's estate.

Insurance proceeds qualify when paid or are payable in lump sums, or where the deferred insurance agreement solely insures to the benefit of the surviving spouse during the spouse's lifetime, with any remaining guaranteed payments payable to the spouse's estate, he said.

When the proceeds are retained by the insurer, the proceeds qualify for marital deduction if all payments payable during the life of the surviving spouse are payable only to the spouse, if the interest or installment payments are payable annually or more frequently, and if the surviving spouse has the sole power of appointment, he said.

If the above conditions are met, two other types of deferred insurance death settlements qualify for marital deduction: in a settlement in favor of the surviving spouse as primary payee, with specific contingent payees, if the surviving spouse is given complete right of withdrawal or commutation exercisable at anytime during his or her lifetime without the consent of any other person; and if the spouse has the unqualified power of appointment, even though it may never be exercised, but does not have the unqualified right of withdrawal or commutation.

No segment of the insured's estate, including his life insurance program, can be ignored when one is considering use of marital deduction, Mr. Hildebrand warned. Ignoring the insured's general property, while qualifying the life insurance settlement for marital deduction, can result in a tax liability different from the one anticipated.

Mr. Hildebrand mentioned that where a complicated insurance settlement is intended, sometimes it is advisable to request an opinion from insurer's legal department.

Provident, North Dakota, Leads in Home State

In a report issued by the North Dakota department, covering 1952 operations of the 96 life companies licensed in North Dakota, Provident Life of Bismarck ranked first in the amount of new business written in North Dakota. The company has held this position for 13 years.

According to the report, Provident Life has the largest total volume of insurance in force, in the state, of any of the companies listed.

MANAGERS AGREE

Attitude of Home Office Key to Good A. & H. Life Program

The session on training life agents in the A. & H. field that was part of the "room-hopping" program of General Agents' & Managers' Conference at the N.A.L.U. midyear at Chicago that was presided over by William North, New York Life, Chicago, proved absorbing enough to those taking part as to keep the entire audience on hand right to the finish.

After about two hours of discussion, Mr. North gave a summary in which he said the attitude of the home office and general agents and managers of life companies is the key factor in making any A. & H. program successful. This must be followed up by a continuous field training program.

John Galloway, Provident L. & A. Birmingham, president of International Assn. of A. & H. Underwriters, remarked that many companies are still fumbling around in their training programs. They are experimenting, using one idea after another, with the unfortunate result that a good deal of the necessary education does not filter down to the field men fast enough. After the new agent has been indoctrinated in A. & H. by the company, he said it is still necessary to keep plugging away out in the field. The most effective means of doing this, he asserted, is the DISC program of the International association, although he admitted this is still not perfected far enough in the direction of the life agents.

Carl Ernst, North American Life & Casualty, St. Paul, a past president of the International, contended that the companies won't move on such matters until they are pushed by the agents. Men who have been specializing in life insurance only, for example, resent having to be trained in a new line. Also, it was remarked, there is a lingering prejudice against A. & H. on the part of many life men.

In his agency, Mr. Ernst said, the new man is told that he doesn't have to sell one life policy in his first six months, and he is given a few leads for A. & H. and told to go out and start making money. Then Mr. Ernst crosses his fingers and prays that there will be a claim on one of the recruit's policyholders right away. There is nothing like delivering a claim check to bolster morale and to get new leads, he remarked. If that happens, the new man is off to a running start, making money.

Mr. North asked those in the room their opinion as to whether in training a new man he should be started on A. & H., life, or a combination of life and A. & H. No one voted for life insurance as the starter. The majority favored a combination of A. & H. and life insurance training, and there were a number of votes for beginning with A. & H. One general agent said that if A. & H. is stressed at first, and life insurance training is given along with it, the manager need not worry about eventually getting a balanced production between the two lines. In an agency, if there is one man pushing A. & H. and another life, what difference does it make to the general agent? He is getting a balanced production, his men are doing a good job in the field that they like the best.

Home Good Program

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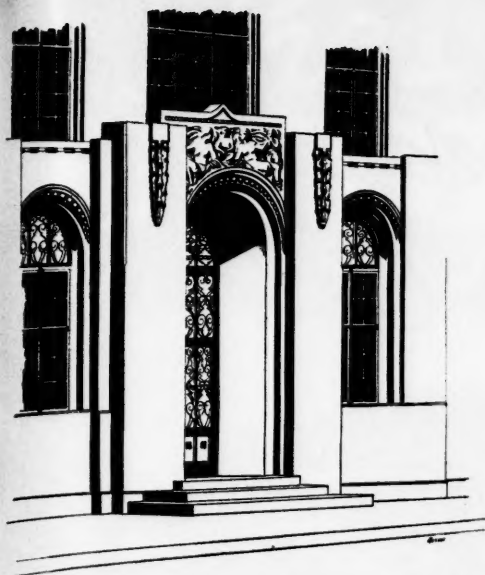
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Royal Neighbors OF AMERICA

LEGAL RESERVE FRATERNAL LIFE INSURANCE

58th
ANNUAL REPORT
FOR THE YEAR ENDING
DECEMBER 31, 1952

The year of 1952 was a period of successful operation for Royal Neighbors of America as a fraternal life insurance society. Last year significant progress was made as follows:

\$407,382,632.

Insurance in force increased \$7,279,102 to a total of

Membership increased to 555,034.

New Insurance sold amounted to \$22,754,600.

Admitted assets advanced to a total of \$142,964,647.92, an increase of \$5,160,975.02.

Certificate reserves were increased by \$9,921,530.84 to a total of \$123,763,198.68.

Contingent reserves amounted to \$12,814,916.05.

Benefits paid amounted to \$6,605,308.03.

Benefits paid since organization amount to \$176,792,777.52.

The net interest earned on benefit funds increased to 3.42 per cent, in 1952, compared to 3.35 per cent for the previous year.

Dividends paid amounted to \$1,535,040.09.

Condensed Balance Sheet of Royal Neighbors of America as of December 31st 1952

ADMITTED ASSETS

CASH	\$ 1,952,381.78
UNITED STATES GOVERNMENT BONDS.....	18,110,687.99
MUNICIPAL BONDS	54,572,163.52
Tax secured, \$15,644,139.36, and revenue secured, \$38,928,024.16	
PUBLIC UTILITY BONDS.....	22,546,030.59
Operating companies.	
INDUSTRIAL AND MISCELLANEOUS BONDS.....	3,500,013.82
STOCKS	8,276,130.19
Public utility operating companies. \$7,787,528.00 preferred; \$488,602.19 common.	
FIRST MORTGAGE LOANS ON REAL ESTATE.....	30,665,602.53
Conventional \$17,473,986.18; F.H.A. \$5,409,112.01; G.I. \$7,782,504.34.	
SUPREME OFFICE BUILDING.....	\$386,079.30
ROYAL NEIGHBOR HOME.....	285,136.14
CERTIFICATE LOANS	1,184,469.42
Money owed the Society by members on account of loans made to them on the security of their certificates.	
INTEREST DUE AND ACCRUED.....	1,073,160.32
PREMIUMS IN COURSE OF COLLECTION.....	384,717.95
MISCELLANEOUS ASSETS	28,074.37

TOTAL ADMITTED ASSETS.....\$142,964,647.92

These assets are valued on basis prescribed by National Association of Insurance Commissioners.

LIABILITIES

CERTIFICATE RESERVES—Computed at 2 1/4 %.....	\$123,763,198.68
Funds which, with interest and future premiums, will pay all certificate claims as they become due.	
DEATH CLAIMS AND MATURED ENDOWMENTS..	320,530.74
Funds set aside for payment of claims in process of adjustment and for those incurred but not reported prior to December 31, 1952.	
FUNDS HELD IN TRUST FOR BENEFICIARIES OF DECEASED MEMBERS.....	56,882.63
FUNDS FOR DIVIDENDS TO DECEMBER 31, 1953..	1,981,818.63
PREMIUMS PAID IN ADVANCE.....	327,804.36
ESTIMATED AMOUNT DUE AND ACCRUED FOR TAXES	18,650.78
FUNDS DEPOSITED BY MORTGAGORS FOR PAYMENT OF TAXES.....	372,627.31
RESERVE FOR MORTGAGES, BONDS AND STOCKS	700,149.74
MISCELLANEOUS	890,624.73
Includes funds set aside for expenses of quadrennial Supreme Camp in 1954.	
CONTINGENT RESERVES FOR FLUCTUATION IN MORTALITY, INTEREST AND VALUE OF AS- SETS AND FOR FUTURE JUVENILE TRANS- FER CREDITS	12,814,916.05
Funds held for the additional protection of certificate holders.	
UNASSIGNED FUNDS	1,717,444.27
Available for any contingency	

TOTAL LIABILITIES\$142,964,647.92



OF AMERICA
WHOLE FAMILY PROTECTION

Supreme Office — Rock Island, Illinois

"No More Blizzards for Us!"

"Think of it, Ellen, we're through with winter — and all because George Duncan kept after me until I saw the light on that retirement income policy. Without that regular monthly insurance check we'd be staying right in the middle of that blizzard — in spite of my pension and social security. But you know, there's one thing that bothers me — I certainly wish your brother and his wife were able to get away from winter, too. It's too bad they didn't see the practical necessity of retirement income insurance."



Unfortunately, not everyone realizes the need for retirement income insurance — but the heartfelt thanks of those who do, repay the life insurance salesman in his constant struggle to help men and women enjoy well-earned, worry-free retirement.



ÆTNA LIFE INSURANCE COMPANY

HARTFORD 15



CONNECTICUT